

## ALTAGAS AWARDED 10 YEAR CONTRACT TO PROVIDE BATTERY STORAGE AT POMONA

Calgary, Alberta (August 16, 2016)

AltaGas Ltd. ("AltaGas") (TSX:ALA) announced today that through its wholly owned subsidiary, AltaGas Pomona Energy Storage Inc., it has signed a 10 year Energy Storage Resource Adequacy Purchase Agreement ("Energy Storage Agreement" or "ESA") with Southern California Edison ("SCE") for 20 megawatts ("MW") of energy storage at its Pomona Facility in the east Los Angeles Basin of Southern California. AltaGas will build, own and operate the AltaGas Pomona Energy Storage Project (the "Project"). The Project is expected to cost between US\$40 - \$45 million and will be among the largest battery storage projects in North America when it comes on line by the end of December, 2016.

AltaGas was a successful participant in SCE's Request For Offers ("RFO") for resource adequacy from energy storage units. Under the terms of the Energy Storage Agreement, AltaGas will provide SCE with 20 MW of resource adequacy capacity for a continuous four hour period, the equivalent of 80 MWh of energy discharging capacity. AltaGas will receive fixed monthly resource adequacy payments under the ESA and will retain the rights to earn additional revenue from the energy from the lithium-ion batteries.

"Winning this RFO represents an important next step as we continue to advance our California power strategy," said David Harris, President and Chief Executive Officer of AltaGas. "Adding battery storage to our California power portfolio proves the versatility of our asset base and greatly enhances the value of what we can offer the California and Desert Southwest markets through integrated energy centers providing clean reliable electricity."

In conjunction with the Energy Storage Agreement, AltaGas has selected Greensmith Energy Management Systems, Inc. ("Greensmith"), a leading provider of energy storage software and integration services, to provide its software control platform (GEMS) in addition to lithium-ion batteries and power conversion technology ("PCS"). The battery and PCS hardware will be integrated by Greensmith. AltaGas will retain overall project management, execution and operations of the Project.

AltaGas also continues to work on repowering the existing Pomona Facility. In the first quarter of 2016 AltaGas submitted an application with the California Energy Commission to repower the Pomona Facility to a flexible, fast ramping peaking facility under the small power plant exemption process. It is anticipated that the application review process will be approximately 12 months and include a review of the emissions profile by the local air district. The existing Pomona Facility is a 44.5 MW gas-fired peaking plant strategically located in the Los Angeles load pocket. The repowered facility could be comprised of more efficient gas-fired technology with capacity up to 100 MW. Following approval, AltaGas will be ready to bid the repowered Pomona facility into upcoming RFOs or enter into other bilateral contract arrangements.

AltaGas owns six natural gas-fired power generating facilities in California that safely produce power. AltaGas has a long-standing history of building trust and treating stakeholders with respect in the communities where it develops and operates projects.

AltaGas is an energy infrastructure company with a focus on natural gas, power and regulated utilities. AltaGas creates value by acquiring, growing and optimizing its energy infrastructure, including a focus on clean energy sources. For more information visit: [www.altagas.ca](http://www.altagas.ca)

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*This news release contains forward-looking statements. When used in this news release, the words “may”, “would”, “could”, “can”, “will”, “intend”, “plan”, “anticipate”, “target”, “believe”, “seek”, “propose”, “continue”, “estimate”, “expect”, and similar expressions, as they relate to AltaGas or an affiliate of AltaGas, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, expectations with respect to the AltaGas Pomona Energy Storage Project including AltaGas’ ability to build, own and operate the project, expected energy storage capacity and available resource adequacy, the facility being among the largest in North America, battery run time, estimated cost and in-service date, expectations regarding resource adequacy payments and AltaGas’ ability to earn additional revenue from energy from batteries, AltaGas’ continuing to advance its California power strategy and enhancing offerings into the California and Desert Southwest markets, AltaGas’ expectations with respect to Greensmith’s ability to integrate battery and PCS hardware, and AltaGas’ expectation to retain overall project management and execution, expectations with respect to the existing Pomona facility including ability to repower, increase capacity, reconfigure, application review process and timeline, ability to bid into future RFOs and pursue other bilateral arrangements or opportunities, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect AltaGas’ current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, changes in market, competition, governmental or regulatory developments, general economic conditions and other factors set out in AltaGas’ public disclosure documents. Many factors could cause AltaGas’ actual results, performance or achievements to vary from those described in this news release, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements included in, or incorporated by reference in this news release, should not be unduly relied upon. Such statements speak only as of the date of this news release. AltaGas does not intend, and does not assume any obligation, to update these forward-looking statements. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.*