



Earnings 2Q 2014

September 3, 2014



TerraForm ^{POWER}
a SunEdison company

Safe Harbor

With the exception of historical information, the matters disclosed in this presentation are forward-looking statements. Such statements involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Potential risks and uncertainties are described in the Company's filings with the Securities and Exchange Commission (SEC), including its Form S-1 and Form 10-Q for 2Q 2014, in addition to the risks and uncertainties described on page 3 of this presentation. These forward-looking statements represent the Company's judgment as of the date of this presentation. The Company disclaims, however, any intent or obligation to update these forward-looking statements.

This presentation also includes non-GAAP financial measures. You can find a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures in our results press release filed on Form 8-K today with the SEC and posted in the Investor Relations portion of our web site at www.TerraForm.com.



Forward-Looking Statements

This release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, including with respect to expected Adjusted EBITDA, cash available for distribution, earnings, future growth and financial performance, and typically can be identified by the use of words such as “expect,” “estimate,” “anticipate,” “forecast,” “intend,” “project,” “target,” “plan,” “believe” and similar terms and expressions. Forward-looking statements are based on current expectations and assumptions. Although TerraForm Power believes that its expectations and assumptions are reasonable, it can give no assurance that these expectations and assumptions will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, among others: the failure of counterparties to fulfill their obligations under offtake agreements; price fluctuations, termination provisions and buyout provisions in offtake agreements; delays or unexpected costs during the completion of projects under construction; TerraForm Power’s ability to successfully identify, evaluate and consummate acquisitions from SunEdison, Inc. or third parties; government regulation; operating and financial restrictions under agreements governing indebtedness; TerraForm’s ability to borrow additional funds and access capital markets; TerraForm Power’s ability to compete against traditional and renewable energy companies; and hazards customary to the power production industry and power generation operations, such as unusual weather conditions and outages. Furthermore, any dividends are subject to available capital, market conditions and compliance with associated laws and regulations.

TerraForm Power undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The Adjusted EBITDA and cash available for distribution are estimates as of today’s date, September 2, 2014, and are based on assumptions believed to be reasonable as of this date. TerraForm Power expressly disclaims any current intention to update such guidance. The foregoing review of factors that could cause TerraForm Power’s actual results to differ materially from those contemplated in the forward-looking statements included in this news release should be considered in connection with information regarding risks and uncertainties that may affect TerraForm Power’s future results included in TerraForm Power’s filings with the Securities and Exchange Commission at www.sec.gov. In addition, TerraForm Power makes available free of charge at www.terraform.com copies of materials it files with, or furnishes to, the SEC.



TerraForm Engine Delivering On Commitments

■ Initial Public Offering closed on July 23rd

- Q2 only reflected our pre-IPO portfolio of 322 MW and our pre-IPO capital structure
- This presentation does not conform with expected format going forward

■ Operations

- Underlying portfolio performing to expectations, 2014 installs on track
- Accelerated expected drop down of 50 MW from 2015 to 4Q 2014

■ Outlook

- Added 528 MW to call right projects, current visibility to 1,637 MW
- Grew acquisition pipeline with several near-term opportunities

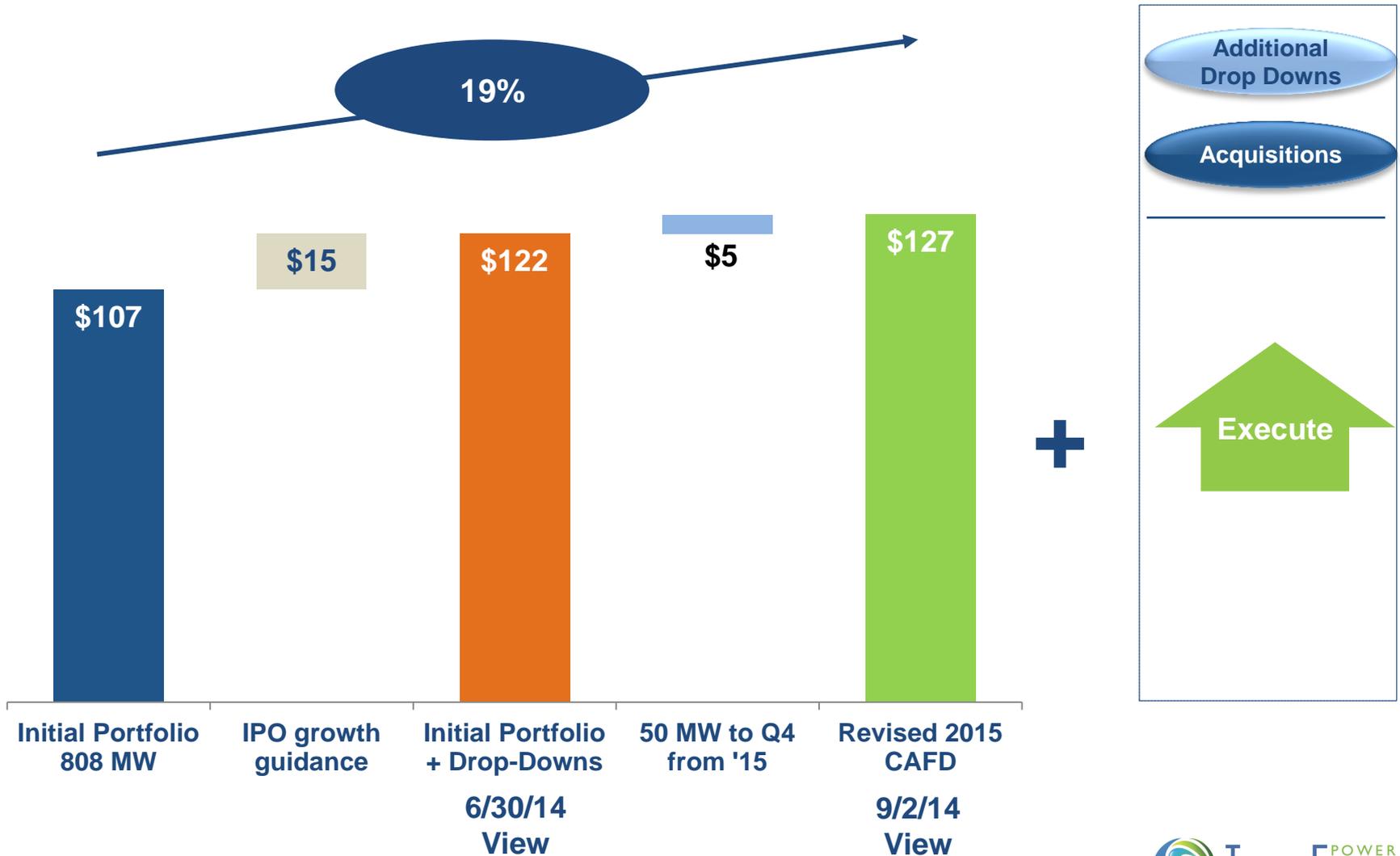
■ Revised 2015 CAFD guidance to \$127M, up from \$107M on the IPO portfolio

Execution → CAFD Growth → DPS Growth

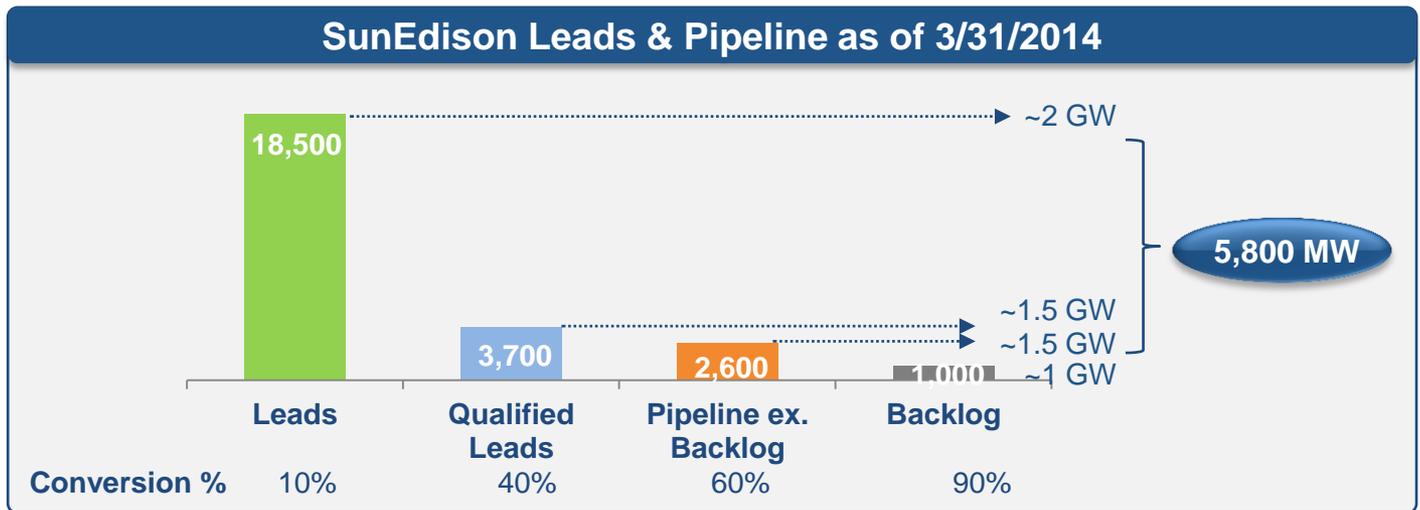
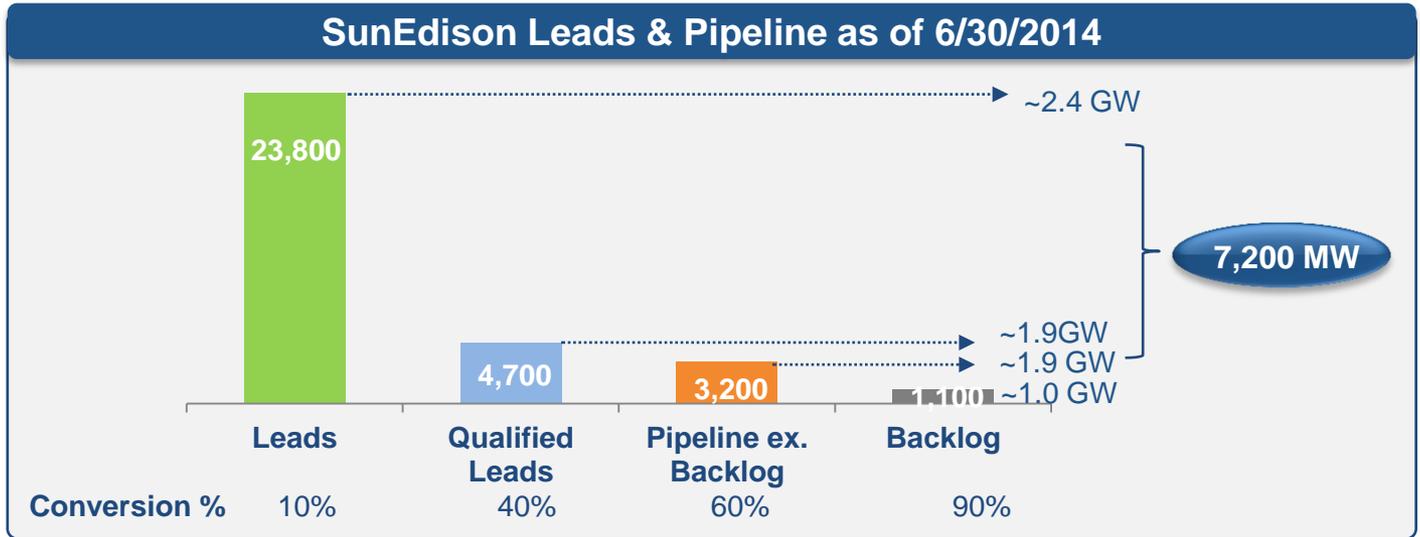
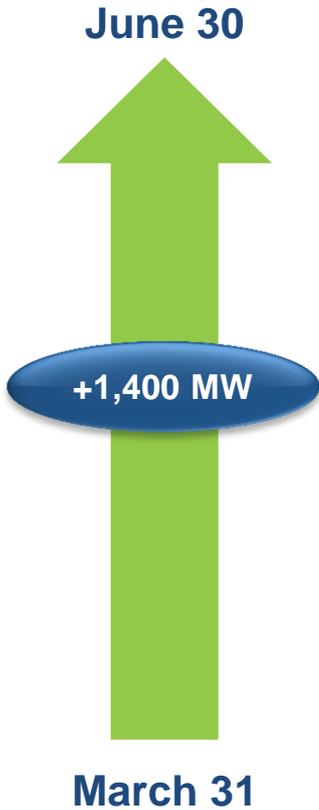


Increased CAFD Guidance vs. IPO Roadshow Expectations

(\$M unless otherwise noted)



The SunEdison Organic Growth Engine Showing Vitality

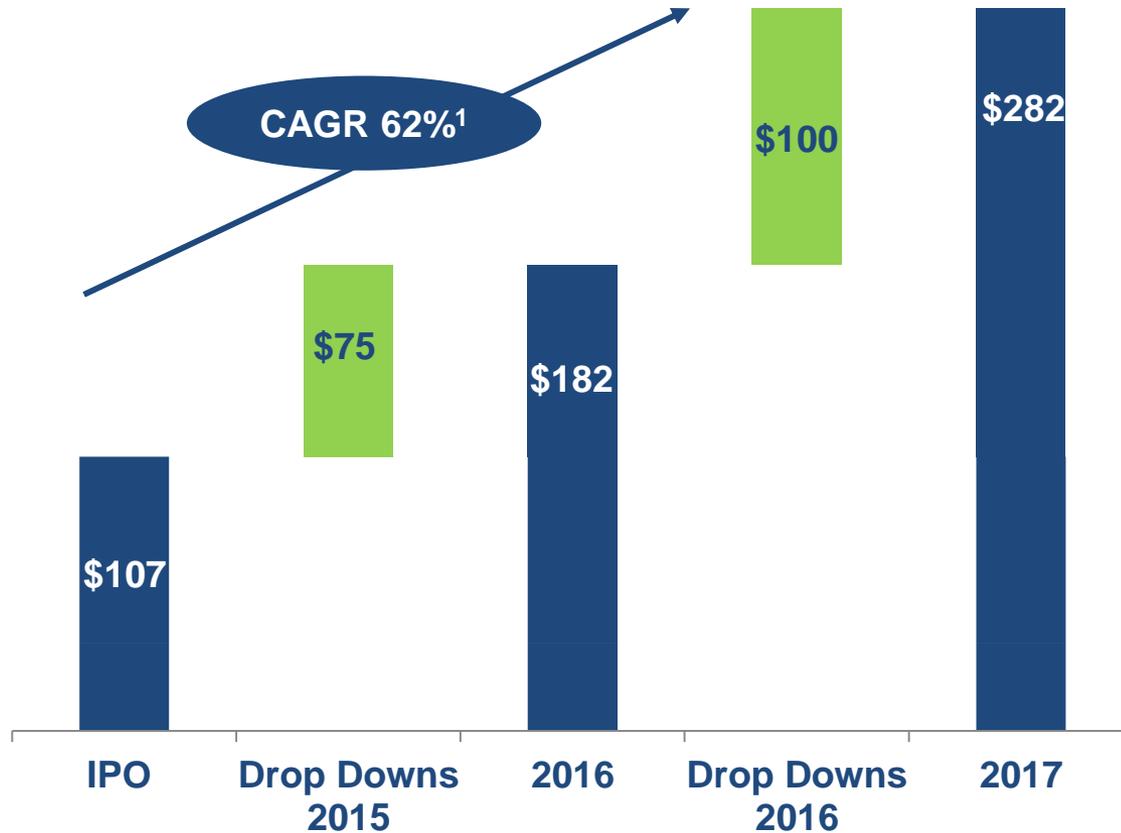


Conversion based on SunEdison's historical conversion rates from each category
 SunEdison's reported Pipeline and Backlog as of 6/30/2014 was 4.3 GW and excluded Qualified Leads and Leads



TerraForm CAFD Growth From SunEdison's Commitment

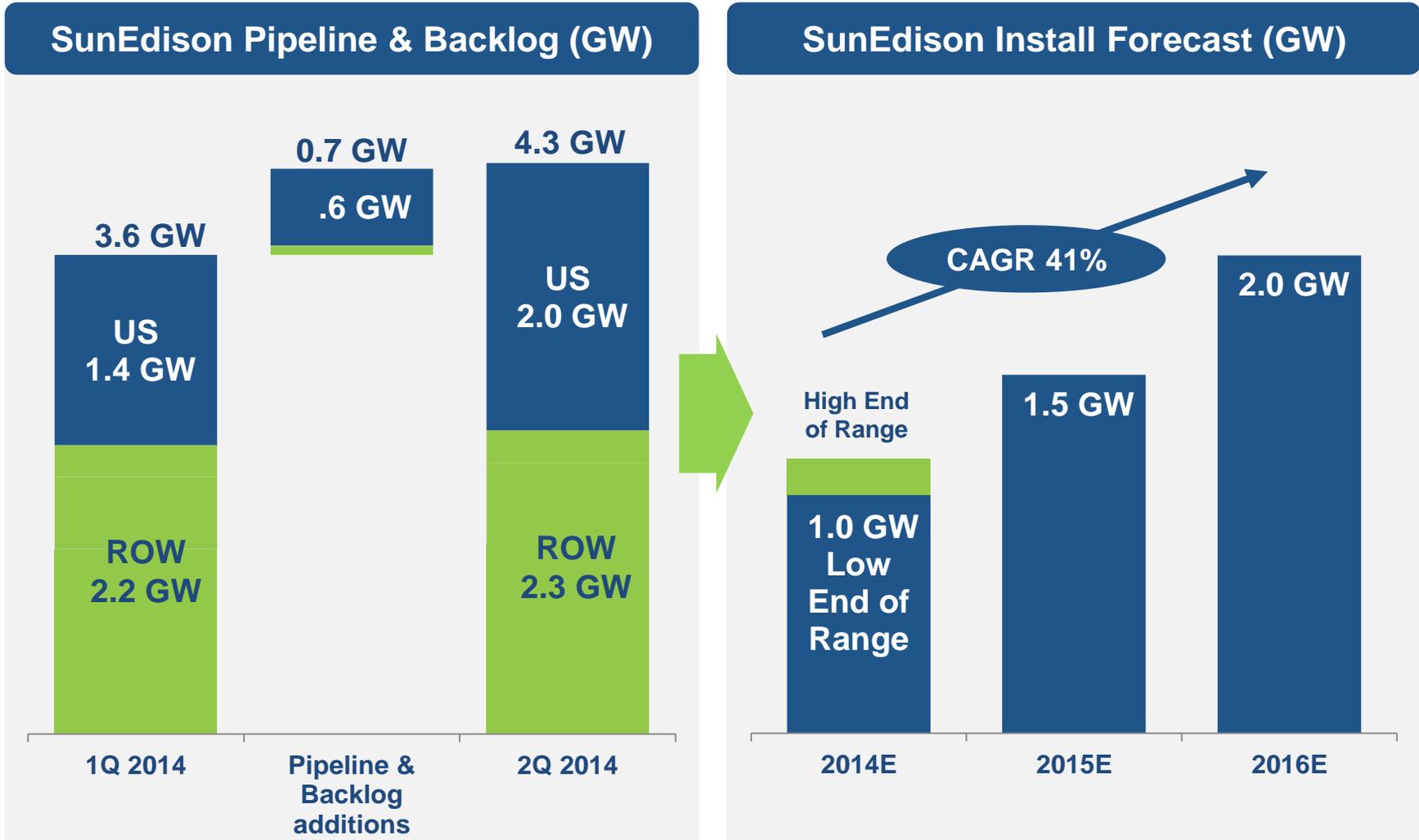
Annualized Aggregate CAFD



- SunEdison has committed to offer, at TerraForm's option, drop-down projects with an additional \$175M in Projected FTM CAFD Commitment
- 1.6 GW of call right projects identified from SunEdison's 4.3 GW pipeline
- Six year ROFO on future SunEdison projects will lead to additional drop-downs beyond the call right project list

¹ 62% CAGR assumes growth from \$107M to \$282M over two-year period

SunEdison Pipeline & Installations



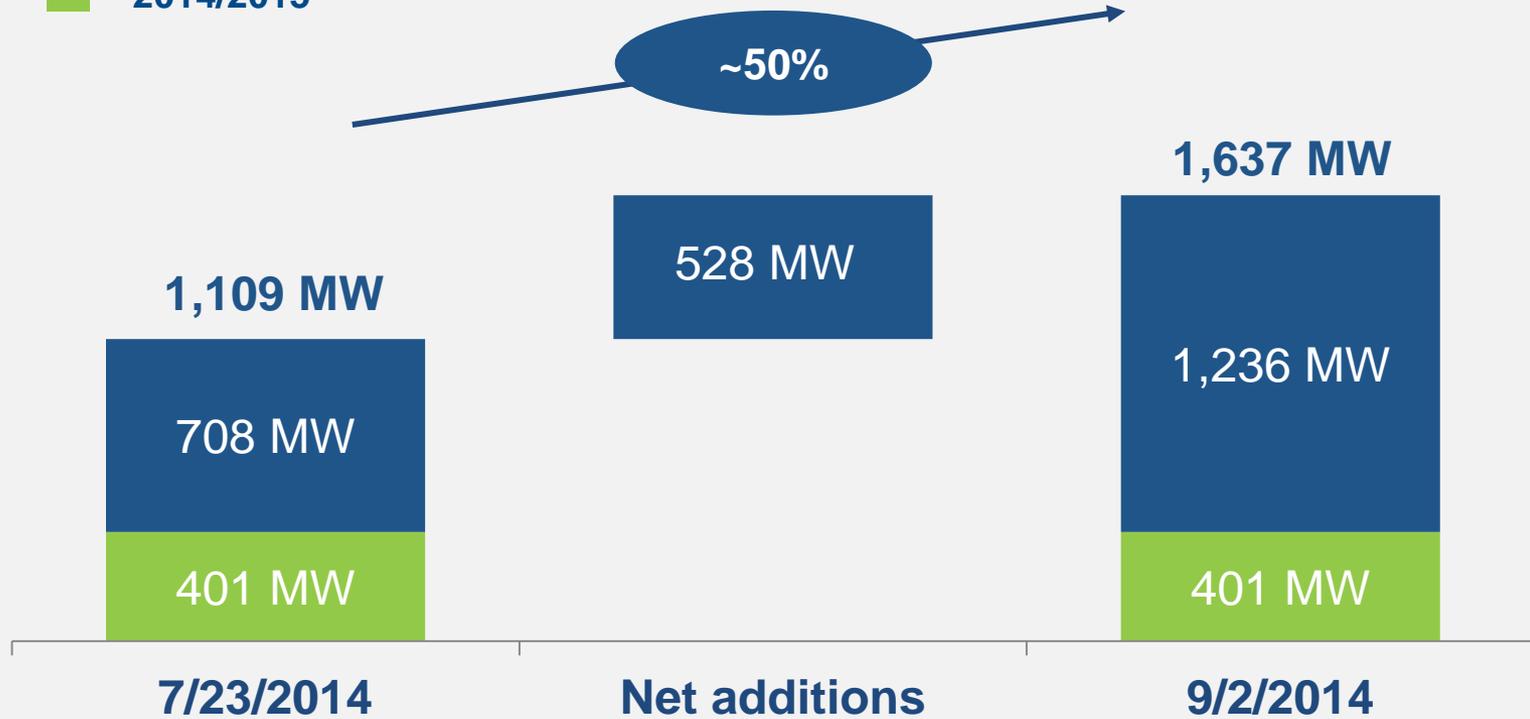
Note: Unaudited



SunEdison Pipeline Growth Translates into Drop Downs

TerraForm Call Right Projects by Expected Year of Acquisition (MW)

- 2016
- 2014/2015



% Contracted: ~50%

~70%



Financials

IPO Call Right List – Dropped Down to TERP Earlier than Scheduled

Project Name	Country	Projected Period of Drop Down	Capacity (MW)
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2014 / 2015 Call Right Projects

Distributed Generation Projects	US	2H 2014 - Q4 2015	137
Chile project #1	Chile	Q1 2015	69
UK projects #1-6	UK	Q1 - Q2 2015	139
Ontario 2015 projects	Canada	Q1 - Q4 2015	13
US Bluebird	US	Q2 2015	8
US AP North Lake I	US	Q3 2015	22
US Victorville	US	Q3 2015	13

401

2016 Call Right Projects

Chile project #2	Chile	Q1 2016	94
US Southeast project #1	US	Q2 2016	65
Ontario projects	Canada	Q1 - Q4 2016	11
US Western project #1	US	Q2 2016	156
US Southwest project #1	US	Q2 2016	100
US Island project #1	US	Q2 2016	65
US California project #1	US	Q2 2016	54
Tenaska	US	Q3 2016	73
US California project #2	US	Q3 2016	45
Distributed Generation Projects	US	Q1 - Q4 2016	46

708

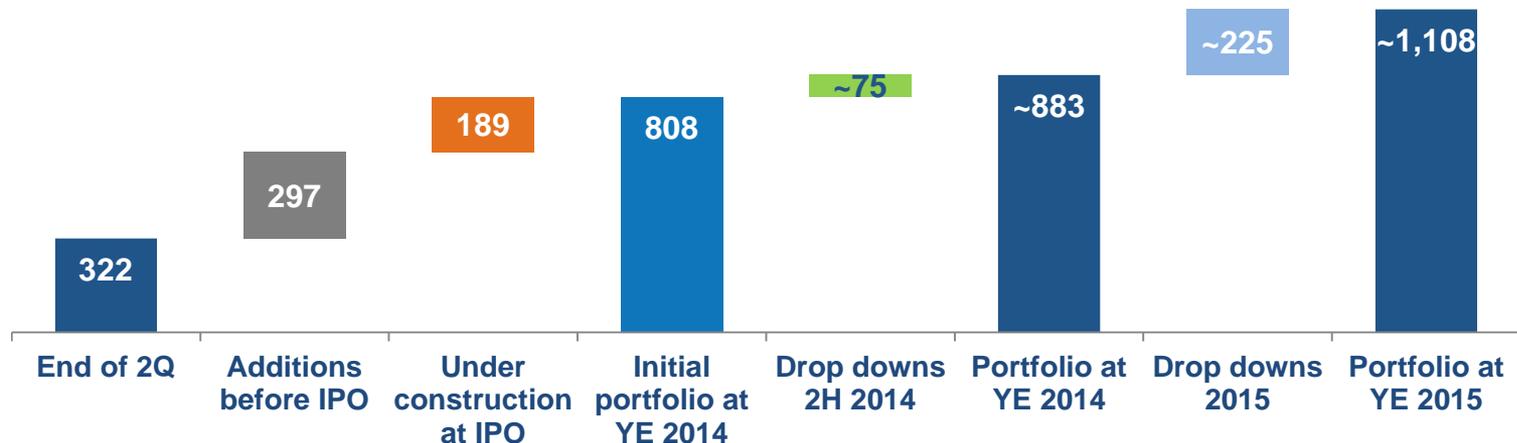
1,109 MW

- 137 MW of Distributed Generation:
 - Move rapidly from lead to install
 - Installations ~90 days
- 139 MW in the UK:
 - 50 MW accelerated installation
 - Overall execution ahead of plan
- Overall drop downs increasing:
 - Visibility to off-take funding
 - Ownership model

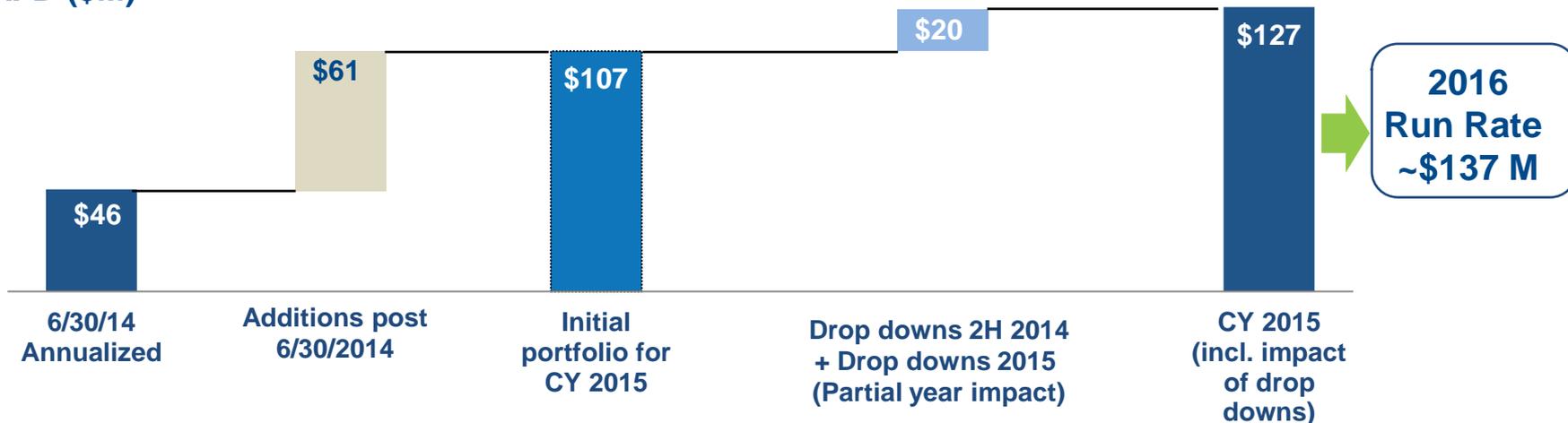


Bridge from 2Q Results to 2015 Guidance

MW in Operation (MW)



CAFD (\$M)



Accelerated Drop Downs Driving Increased Guidance

(\$M unless otherwise noted)

Operational Capacity at YE2015 (MW)

■ Drop downs
■ Initial portfolio



Revenue for 2015 (\$M)

■ Drop downs
■ Initial portfolio



Adjusted EBITDA for 2015 (\$M)

■ Drop downs
■ Initial portfolio



CAFD for 2015 (\$M)

■ Drop downs
■ Initial portfolio



Well Capitalized and Liquidity to Fund \$127M CAFD

(\$M unless otherwise noted)

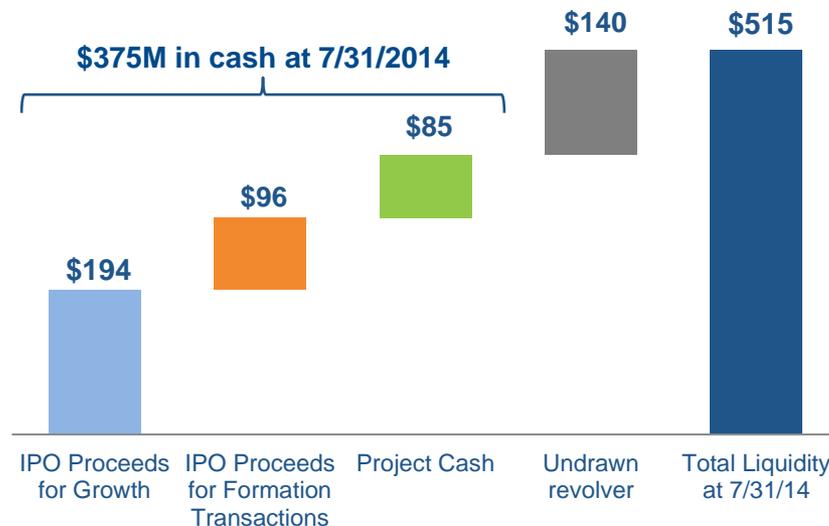
Sources of Funds at IPO

IPO Proceeds	\$534
Permanent Term Loan	300
Private Placements	65
Release Bridge Debt Service Reserve	16
Total Sources of Funds	\$915

Uses of Funds at IPO

Repay Acquisition Bridge Facility	\$400
Cash for Growth	194
Purchase of SunEd B Shares and Units	162
Formation Transactions	133
Fees, Expenses, and Other	25
Total Uses of Funds	\$915

Well-Capitalized Balance Sheet July



- Supports annual >15% initial CAFD / unit growth without incremental equity dilution
- Room for opportunistic acquisitions



Appendix

Projects Under Construction: On Schedule

Under construction (at IPO)		Projects	MW	COD	Status
Regulus	US	1	82	4Q 2014	Installation
US Projects 2014	US	38 of 41	42	4Q 2014	Installation
NC Portfolio	US	4	26	4Q 2014	Installation
Marsh Hill	CND	1	19	4Q 2014	Installation
SunE Perpetual Lindsay	CND	1	16	4Q 2014	Installation
CA Public Institutions	US	2 of 5	4	September	Interconnected in August
Total Construction at IPO		47	189		
Operating projects at IPO		183	619		
Total Initial Portfolio		230	808		

Reg. G: Reconciliation of 2015 Net Income to EBITDA

(\$ in thousands)	<u>Year Ending 12/31/2015</u>
Operating revenues	\$ 234,700
Operating costs and expenses:	
Costs of operations	36,500
Depreciation, amortization and accretion	76,500
General and administration (1)	11,900
Total operating costs and expenses	\$ 124,900
Operating income	\$ 109,800
Interest expense, net	73,100
Income before income tax expense	36,700
Income tax expense	14,300
Net income	22,400
Add:	
Depreciation, amortization and accretion	76,500
Interest expense, net	73,100
Income tax expense	14,300
Stock base compensation	6,500
Adjusted EBITDA (2)	\$ 192,800

(1) Reflects all costs of doing business associated with the initial portfolio, including all expenses paid by SunEdison in excess of the payments received under the Management Services Agreement, and stock compensation expense.

(2) Adjusted EBITDA and cash available for distribution are non-GAAP measures. You should not consider these measures as alternatives to net income (loss), determined in accordance with GAAP, or net cash provided by operating activities, determined in accordance with GAAP.



Reg. G: Reconciliation of 2015 Net Income to CAFD

(\$ in thousands)	Year Ending 12/31/2015
Adjustments to reconcile net income to net cash provided by operating activities:	
Net income	\$ 22,400
Depreciation, amortization and accretion	76,500
Non-cash items	22,900
Changes in assets and liabilities	6,300
Other	(600)
Net cash provided by operating activities	<u>\$ 127,500</u>
 Adjustments to reconcile net cash provided by operating activities to cash available for distribution:	
Net cash provided by operating activities	127,500
Changes in assets and liabilities	(6,300)
Deposits into/withdraws from restricted cash accounts	6,100
Cash distributions to non-controlling interests	(6,400)
Scheduled project-level and other debt service and repayments	(30,800)
Non-expansory capital expenditures	(400)
Contributions received pursuant to the Interest Payment Agreement with SunEdison (3)	15,600
Other	2,000
Estimated cash available for distribution	<u>\$ 107,300</u>

(3) Represents contributions received from SunEdison pursuant to the Interest Payment Agreement. These contributions are recurring for three years beginning with the origination of the Term Loan.



Reg. G: Q2 2014 Reconciliation of Net Income to EBITDA

(\$ in thousands)	Three Months Ended	
	June 30, 2014	
Net (loss) income	\$	(12,438)
Interest expense, net (a)		24,171
Income tax expense (benefit)		(5,318)
Depreciation, amortization and accretion		5,657
General and administrative - affiliate (b)		2,142
Acquisition costs (c)		1,235
Formation and offering related fees and expenses (d)		2,863
Loss on extinguishment of debt (e)		1,945
Adjusted EBITDA	\$	<u>20,257</u>

- Subsequent to the closing of the IPO SunEdison will pay all our scheduled interest on our term loan up to \$48 million through the third anniversary of our entering into the Term Loan under an interest payment agreement.
- Represents the non-cash allocation of SunEdison's corporate overhead. In conjunction with the closing of the IPO on July 23, we entered into the MSA with SunEdison, pursuant to which SunEdison will provide or arrange for other service providers to provide management and administrative services to us. There will be no cash payments to SunEdison for these services during 2014, and in subsequent years, the cash fees payable to SunEdison will be capped at \$4.0 million in 2015, \$7.0 million in 2016 and \$9.0 million in 2017. The amount of general and administrative expenses in excess of the fees paid to SunEdison in each year will be treated as an add back in the reconciliation of net income (loss) to Adjusted EBITDA.
- Represents transaction related costs associated with the acquisitions completed during the three and six month period ended June 30, 2014. There were no such costs during the same periods in the prior year.
- Represents non-recurring professional fees for legal, tax and accounting services incurred as a result of the IPO.
- TerraForm Power, LLC ("Terra LLC") incurred a loss on extinguishment of debt of \$1.9 million for the six months ended June 30, 2014 due to the termination of our capital lease obligations upon acquiring the lessor interest in the Alamosa project solar generation assets.



Reg. G: Q2 2014 Reconciliation of Net Cash Provided By Operating Activities to CAFD

(\$ in thousands)	Three Months Ended	
	June 30, 2014	
Net cash provided by operating activities	\$	33,787
Changes in assets and liabilities		(33,367)
Deposits into/withdraws from restricted cash accounts		4,157
Scheduled project-level and other debt service and repayments		(3,864)
Other:		
Bridge loan interest		5,638
Formation and offering related fees and expenses		2,863
Acquisition costs		1,235
Non-cash allocation of SunEdison corporate overhead		2,142
Other		(1,174)
Estimated cash available for distribution	\$	<u>11,417</u>



TerraForm POWER
a SunEdison company