



Alamosa Project in Colorado: 8 MW

\$300 Million Senior Notes Green Bond Offering

July 2015



Disclaimer

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Agenda

Topic	Presenter
Introduction and Transaction Overview	Citi
TerraForm Power Update	Alex Hernandez, EVP & CFO
Invenergy Wind Portfolio Acquisition	Alex Hernandez, EVP & CFO
Investment Highlights	Alex Hernandez, EVP & CFO
Concluding Remarks and Q&A	Alex Hernandez, EVP & CFO

■ Other Management Attendees:

- John Chesser, Vice President, Treasurer
- Adam Kuehne, Director of Capital Markets
- Brett Prior, Director of Investor Relations

Transaction Overview



Executive Summary

- **TerraForm Power (“TERP”) is a leading renewable energy company with a high-quality portfolio of ~2.2 GW of contracted power generation assets ⁽¹⁾**
 - Publicly traded on the NASDAQ with a market capitalization of ~\$5.5 billion as of July 10th ⁽²⁾
 - Since IPO in July 2014, more than doubled MW and cash flow through SunEdison drop downs and third party acquisitions
 - Completed a ~\$600 million public equity issuance and \$150 million add-on offering to its existing Senior Notes due 2023 in June 2015
- **On July 6th, TerraForm announced the acquisition of 930 MW of wind generating capacity from Invenergy for aggregate consideration of ~\$2 billion**
 - 460 MW to be purchased directly by TerraForm, with the remainder to be purchased by a to-be-formed warehouse facility for future drop-down into TerraForm
 - Consistent with the Company's existing business profile, all of the acquired assets benefit from long-term contracted revenues, with an average ~19 year contract life and AA credit rating
 - Pro forma Run-Rate EBITDA of \$464 million and HoldCo CFADS of \$316 million ⁽³⁾
- **The Company is launching \$300 million of 10-year Senior Notes to finance a portion of the acquisition**
 - Plans to de-risk financing well in advance of transaction close, which is expected in Q4 2015

(1) Pro forma for 460 MW of acquired Invenergy wind assets

(2) Source: Bloomberg

(3) CFADS is defined as CAFD plus debt service paid by TerraForm Power Operating, LLC; run-Rate CFADS adds \$43.8M of interest to \$272.5M of CAFD

Transaction Summary – Sources and Uses

\$M

TerraForm Corporate Financing for Immediate Drop Downs

Sources of Funds

Senior Notes due 2025	\$300
Cash on Hand	310
Assumed Project Debt ⁽¹⁾	450

Total Sources of Funds	\$1,060
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Uses of Funds

Raleigh, CA Ridge & Rattlesnake	\$1,060
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Total Uses of Funds	\$1,060
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Expected TerraForm Private Warehouse Financing for Future Drop Downs

Sources of Funds

TerraForm Private Warehouse Financing	\$995
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Total Sources of Funds	\$995
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Uses of Funds

Remaining U.S. Portfolio ⁽²⁾	\$995
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Total Uses of Funds	\$995
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1. All project debt targeted to be refinanced in 1Q16 except the \$174M fixed rate notes at California Ridge
2. All projects are acquired unlevered

Transaction Summary – Pro Forma Capital Structure

\$M

Pro Forma Capital Structure (as of 3/31/15)			
	Standalone TERP	Invenergy Acquisition Adjustment	Pro Forma
Cash on Hand ⁽¹⁾	\$388	(\$310)	\$78
Revolver Outstanding	--	--	--
Senior Notes due 2023	950 ⁽²⁾	--	950
New Senior Notes due 2025	--	\$300	\$300
Total HoldCo Debt	\$950	\$300	\$1,250
Permanent Project Debt ⁽³⁾	\$883	\$450 ⁽⁴⁾	\$1,333
Total Debt	\$1,833	\$750	\$2,583
Run-Rate HoldCo CFADS ⁽⁵⁾	\$293	\$23	\$316
Run-Rate EBITDA ⁽⁵⁾	383	82	464
Credit Metrics ⁽⁶⁾			
Adjusted Net Debt / Run-Rate EBITDA	3.8x		5.4x
Adjusted Net HoldCo Debt / Run-Rate HoldCo CFADS	1.9x		3.7x

(1) Includes only unrestricted cash as of June 30, 2015. Actual cash and restricted cash as of March 31, 2015 was \$240.6M

(2) Pro Forma for \$150M Senior Notes add-on issued on June 11, 2015

(3) Excludes construction financing and financing lease obligations

(4) All project debt targeted to be refinanced in 1Q16 except the \$174M fixed rate note at California Ridge

(5) Pro Forma for acquisition of Moose Power and Invenergy Solar

(6) Credit Metrics based on June 30, 2015 unrestricted cash balance of \$388M and, pro forma for acquisition, \$78M. Adjusted net debt does not include project level debt consisting of construction financing and financing lease obligations of \$212.1M and \$154.7M, respectively

Summary Offering Terms

Issuer:	TerraForm Power Operating, LLC
Issue:	\$300M Senior Unsecured Notes
Guarantors:	Same as existing 5.875% Senior Notes due 2023
Security:	None
Tenor:	10 years
Call Protection:	NC-5 subject to T+50 make whole, callable at par plus 1/2 coupon in year 6, par plus 1/3 coupon in year 7, par plus 1/6 coupon in year 8, par thereafter
Equity Clawback:	Up to 40% of the notes at par plus the coupon within the first 3 years
Change of Control:	Investor put at 101% (dual trigger structure)
Covenants:	Usual and customary investment grade-style covenants
Offering Format:	144A / Reg. S for life
Joint Bookrunners:	Citi, Morgan Stanley, Barclays, Bank of America, Goldman Sachs, Macquarie
Co-Manager:	UBS

TerraForm Power Update



TerraForm Accomplishments Since IPO

Acquisitions and drop downs since IPO have significantly increased TERP's scale

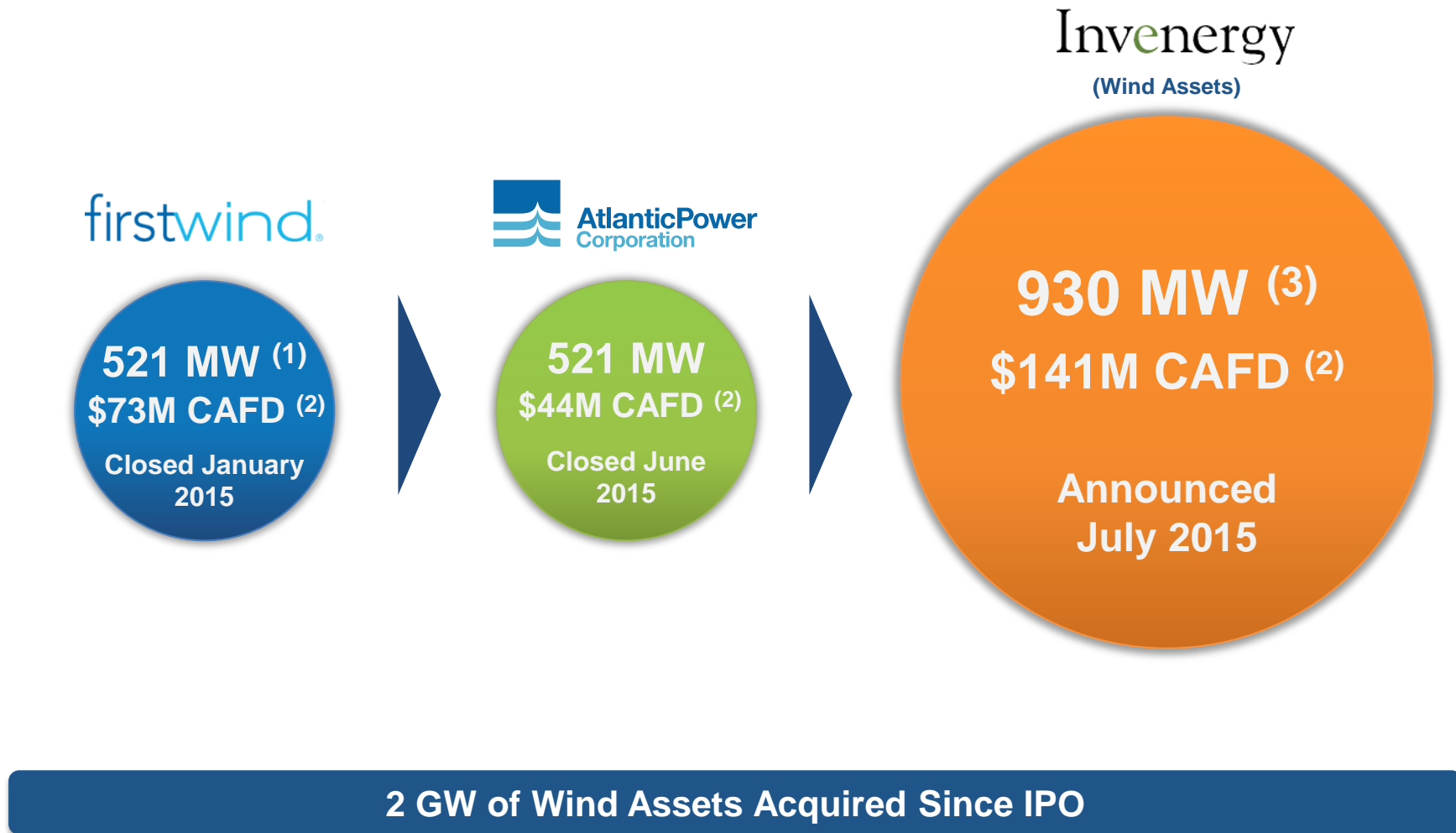
	@ IPO July 2014	Current ⁽¹⁾	Pro Forma Invenergy Wind Acquisition ⁽²⁾	Increase from IPO
Total MW	808 MW	1,738 MW	2,198 MW	2.7x
Call Right Pipeline⁽³⁾	1.1 GW	3.6 GW	3.6 GW	3.3x
Run-Rate EBITDA	\$193M	\$383M	\$464M	2.4x
Run-Rate CFADS	\$114M	\$293M	\$316M	2.8x

1. Includes 20 MW of projects expected to reach COD in 2Q, 25 MW from Invenergy solar assets, 6 MW from Moose Power, and 32 MW from Integrys / Duke DG. 10 of Moose Power's 14 projects closed in 2Q 2015, with the remaining 4 projects are expected to close in 4Q 2015

2. Does not include 470 MW of Invenergy wind assets intended to be warehoused or 521 MW of Atlantic Power assets

3. TerraForm also has a 6-year right of first offer on certain other projects that SunEdison develops in the U.S., Canada, the U.K. and Chile

Leveraging First Wind Platform to Accelerate Growth



1. Includes 21 MW of solar generation

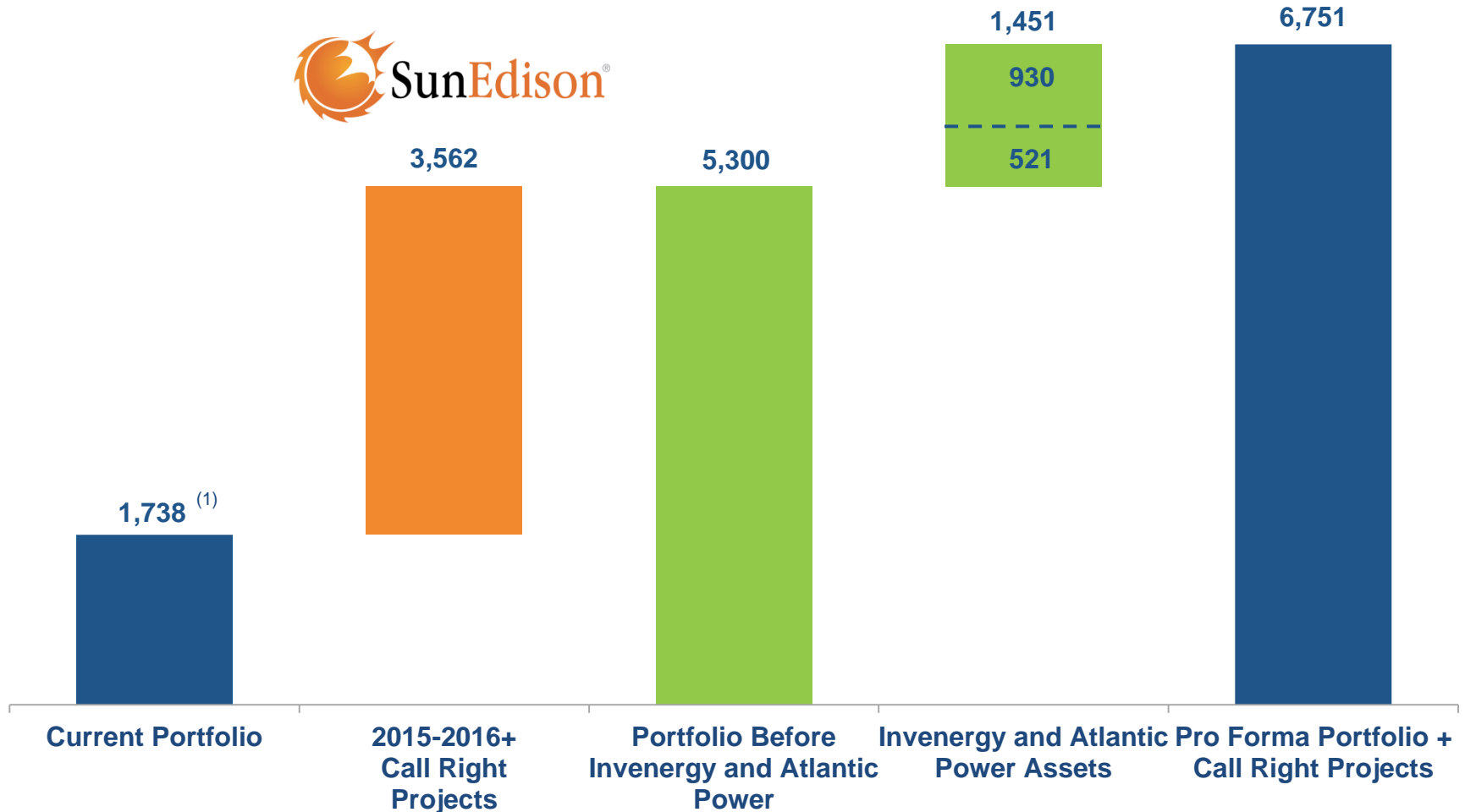
2. Represents expected unlevered CAFD; First Wind CAFD is run-rate and Atlantic Power and Invenergy CAFD is 10-year average unlevered (Invenergy figures include 470 MW of Invenergy assets anticipated to be acquired by new warehouse facility)

3. Net of 9.9% ownership stake retained by Invenergy in U. S. assets

Transaction Further Enhances Visibility of Growth

Visibility to >8x Growth versus IPO Portfolio

MW

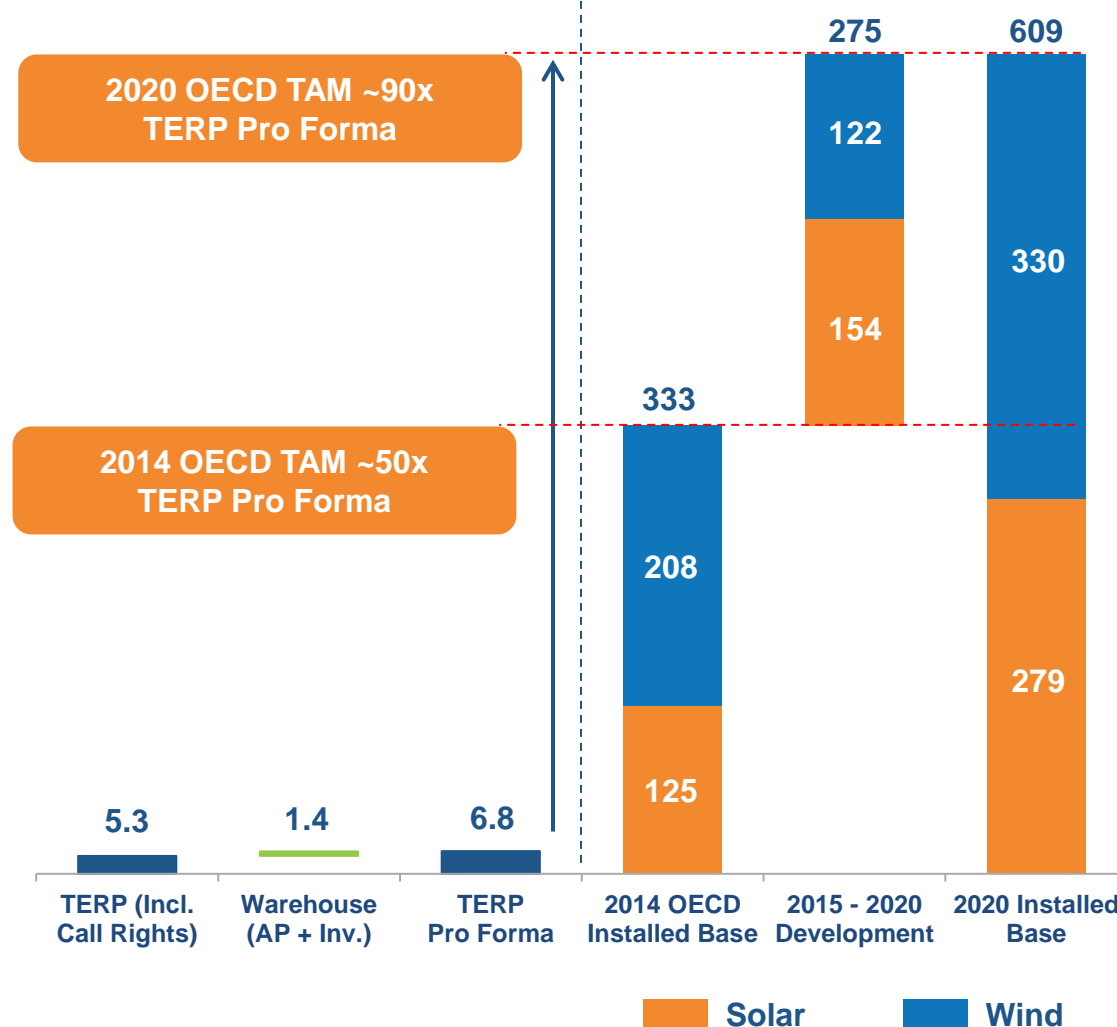


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Unlock Value by Aggregating Fragmented Industry

GW

Substantial Opportunities in Development and M&A ⁽¹⁾



Industry Consolidation

Small:



Invenergy
(Solar Assets)



Medium:



Large:



Invenergy
(Wind Assets)

1. OECD utility-scale solar and utility-scale, onshore wind figures quoted as of July 2, 2015, per Bloomberg New Energy Finance; figure not shown to scale

Invenergy Wind Portfolio Acquisition



Acquisition Overview

- Transformative acquisition from largest U.S. independent wind power platform
- Acquired **\$141M CAFD** ⁽¹⁾ at attractive 8.4% ⁽²⁾ cash-on-cash yield
- **930 MW** ⁽³⁾ acquisition: 7 North American wind assets from Invenergy
 - High-quality portfolio: average ~19 years contract life, AA credit rating
 - **460 MW drop downs at closing into TERP: cash on hand and proposed \$300M Senior Notes due 2025 offered hereby**
 - 470 MW future drop downs: intended for TerraForm Private warehouse facility
- Unique opportunity to improve portfolio scale, diversity, and enhance growth and visibility
- Closing: expected by 4Q 2015

Transaction Unlocks Value and Aggregates Fragmented Market

1. Represents expected 10-year average unlevered; includes payments on fixed rate notes at California Ridge (includes 470 MW of Invenergy assets anticipated to be acquired by new warehouse facility)

2. Average 10-year levered CAFD at 3.5x leverage (\$493M debt) as a percent of equity investment (\$111M of levered CAFD and \$1,325M of equity investment (including cash))

3. Net of 9.9% ownership stake retained by Invenergy in U. S. assets

Invenergy: Operating Assets and Platform Partnership

- Largest independent wind owner in the United States
 - 7 GW operating
 - 10 GW in development
 - Founder / CEO Michael Polsky: North American power industry pioneer
- Invenergy to retain 9.9% of the US assets in acquired portfolio
 - Provides opportunity for incremental drop downs
- SunEdison / TerraForm partner with best-in-class developers to scale our platform

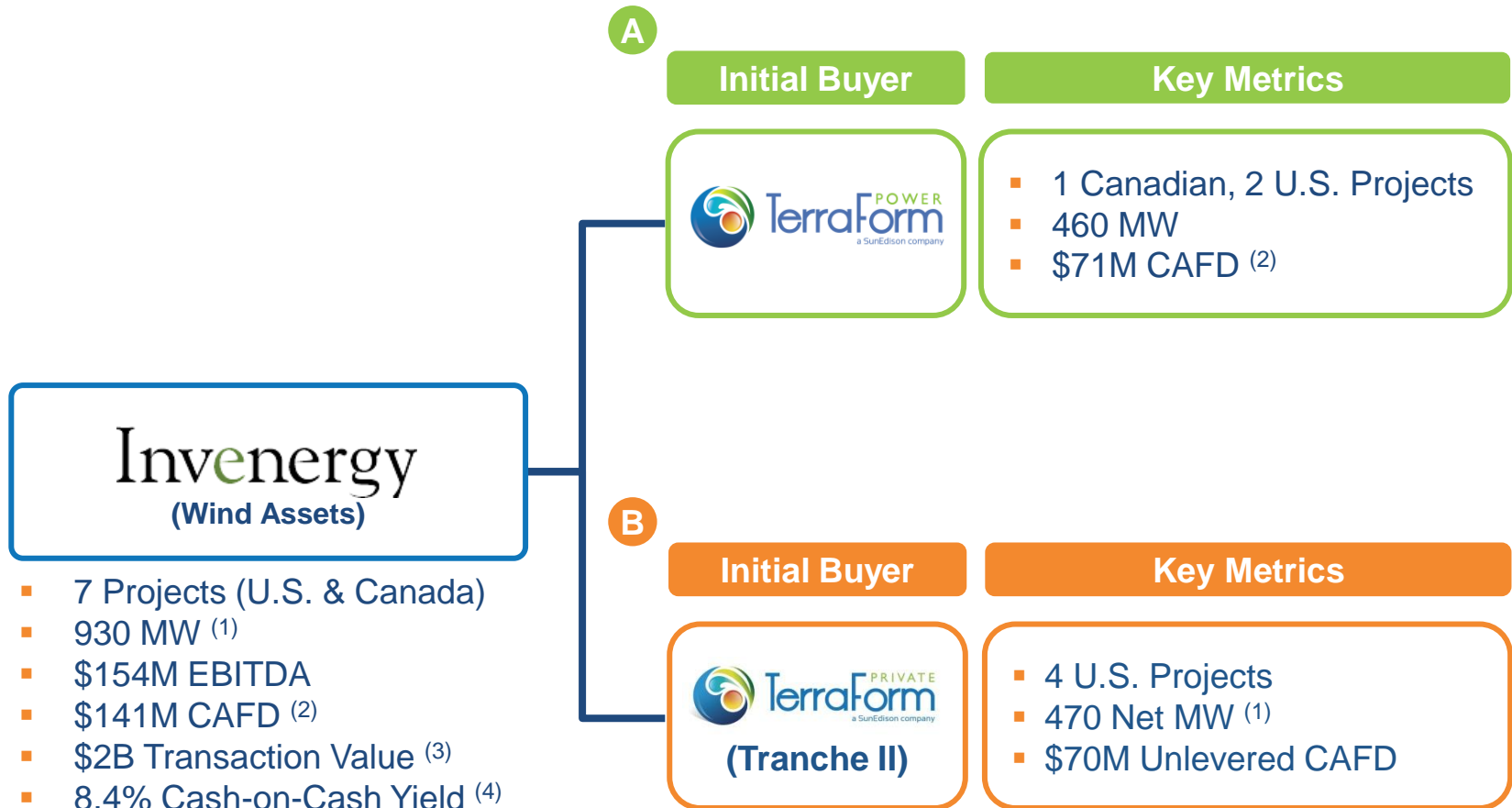


Source: Invenergy (California Ridge, Illinois)

Invenergy



Invenergy: Immediate Drop Down and Long-Term Growth



1. Net of 9.9% ownership stake retained by Invenergy in U.S. assets
2. Includes fixed-rate notes at California Ridge projects, which will be assumed in the transaction
3. Includes fees and breakage expenses
4. Average 10-year levered CAFD at 3.5x leverage as a percent of equity investment

Invenergy Transaction Asset Summary

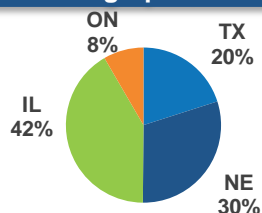
TERP Drops at Close

Physical Characteristics						Contracts		
Name	State / Province	Size (MW)	Technology	Ownership (%)	COD	Contract Life	Offtaker	Offtaker Rating
Assets Dropped At Close								
Raleigh	ON	78	GE	100	2011	16	Ontario Power Authority	Aa1
California Ridge	IL	196	GE	90	2012	18	TVA	Aaa / AA+
Rattlesnake	TX	187	GE	90	Aug 2015	13	Merrill Lynch Commodities	A1 / A
Total Assets Dropped Today		460				16		

TERP Private Warehouse Tranche 2 Assets

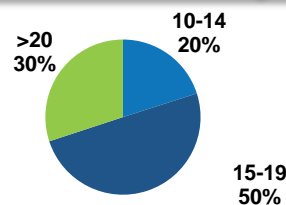
TERP Private (Tranche 2) Warehouse Assets								
Bishop Hill	IL	190	GE	90	2012	17	TVA	Aaa / AA+
Prairie Breeze	NE	181	GE	90	2014	24	Omaha Public Power	A1 / AA
Prairie Breeze II	NE	66	GE	90	Oct 2015	25	Lincoln Electric System	AA
Prairie Breeze III	NE	32	GE	90	Mar 2016	25	City of Grand Island	A1
Total TERP WH (Tranche 2) Assets		470				21		
Grand Total		930				19		Aa2 / AA

Geographic Mix



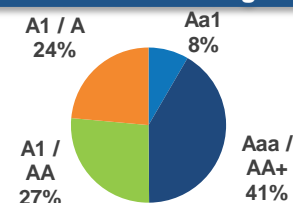
Attractive Assets in High Wind Resource Locations

PPA Years Remaining



Weighted Average Remaining Contract Life of ~19 years

Off-taker Rating



Aa2 / AA Weighted Average Off-taker Credit Rating

Investment Highlights



Key Investment Highlights

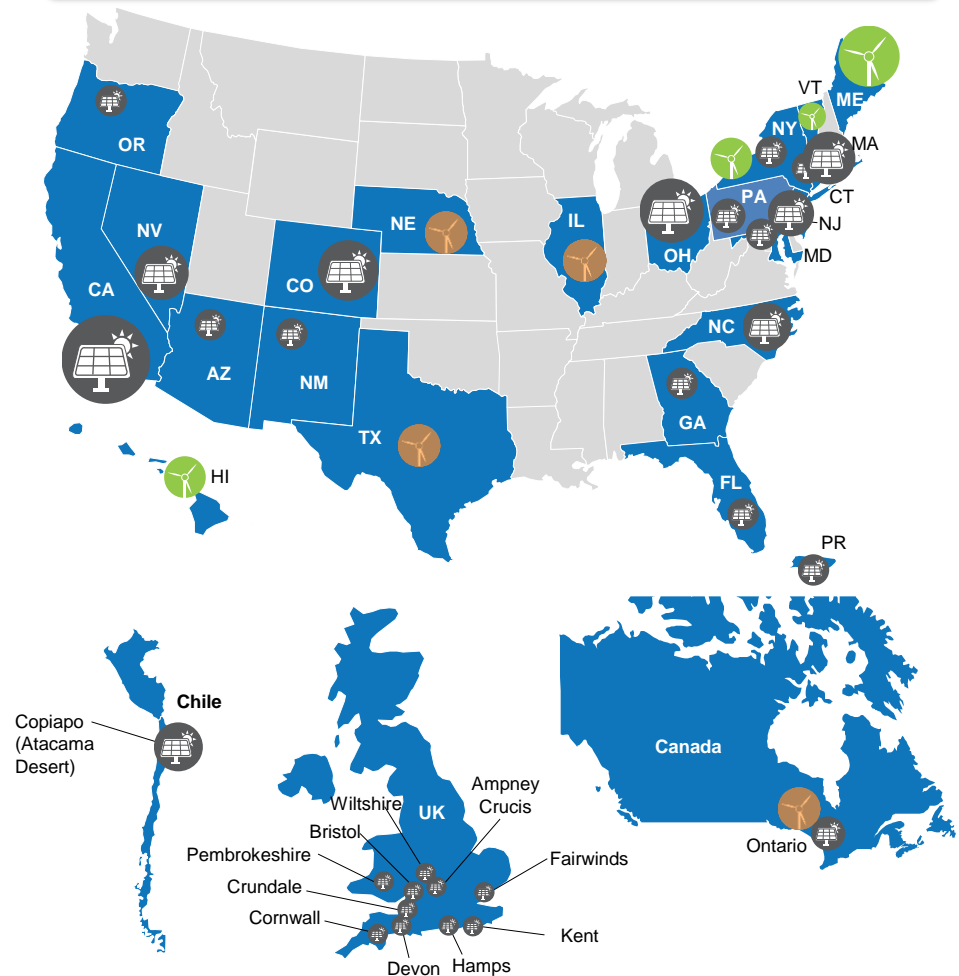
1	High Quality Cash Flows from Long-Term Contracts with Creditworthy Offtakers	✓
2	Scale & Diversity of Cash Flows	✓
3	Strong Financial Position and Conservative Leverage Profile	✓
4	Limited Structural Subordination	✓
5	Robust Liquidity	✓

1 High Quality Cash Flows...

TerraForm's Core Market Criteria

- 1 High quality offtakers
- 2 High growth energy markets and segments
- 3 Favorable regulatory markets and strong rule of law
- 4 Stable market structures that have reached or have potential to reach grid parity

Pro Forma TerraForm Assets



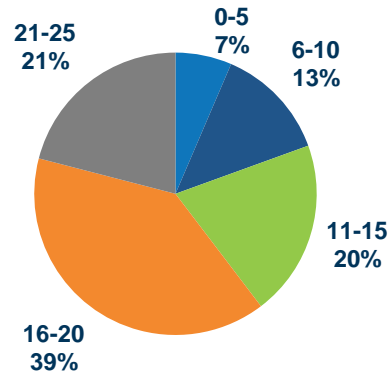
Note: Symbols on maps may represent several asset locations

1 ...from Long-Term Contracts & Creditworthy Off-takers

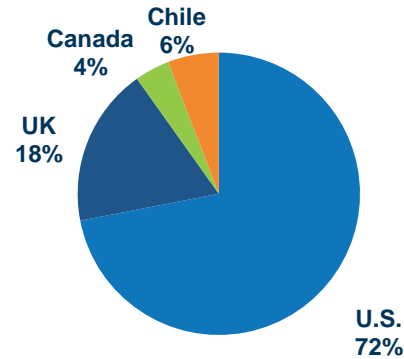
TerraForm Power Portfolio

**1.7
GW⁽¹⁾**

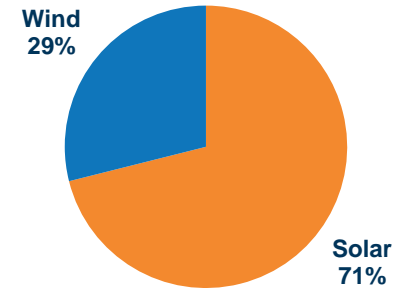
PPA Years Remaining



Geographic Mix

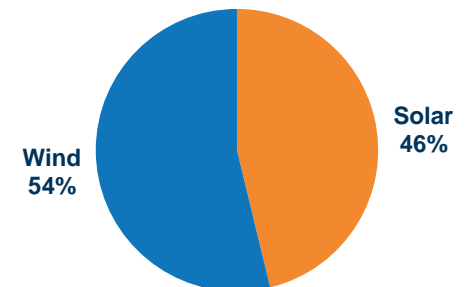
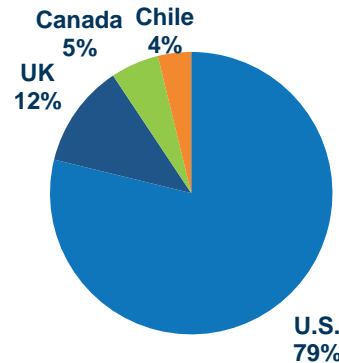
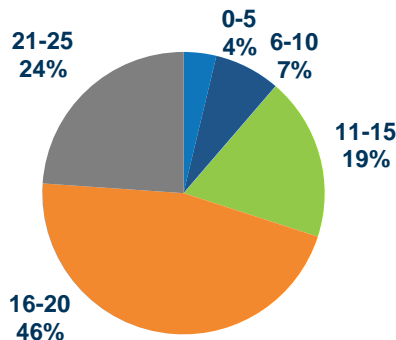


Asset Mix



TerraForm Power Portfolio Pro Forma for Invenergy Assets

**2.6
GW⁽¹⁾**



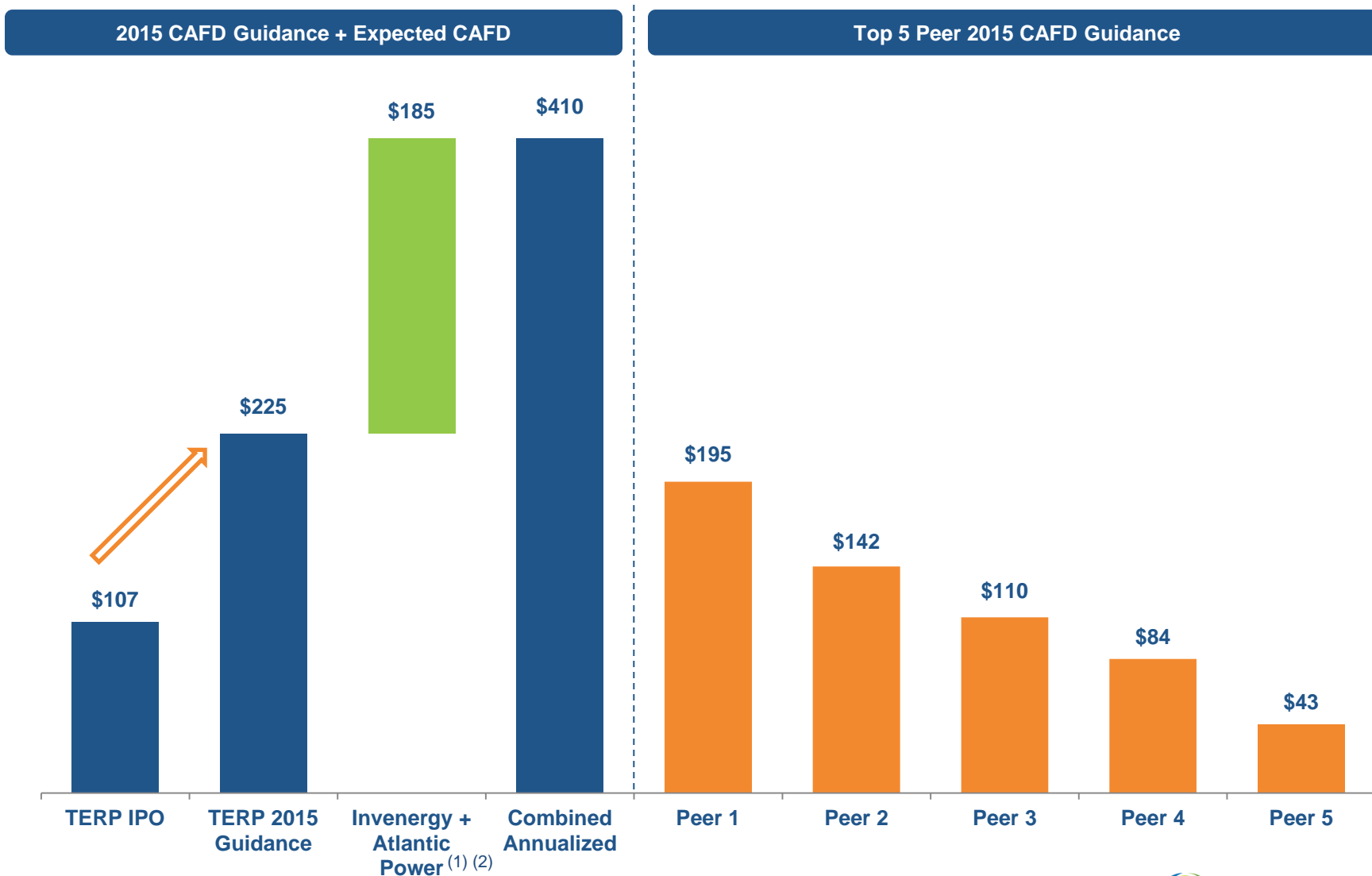
High Quality Average Credit Rating of Single A

Note: Weighted by MW

1. Includes 20 MW of projects expected to reach COD in 2Q 2015, 25 MW from Invenergy solar assets, 6 MW from Moose Power, and 32 MW from Integrys / Duke DG; 10 of Moose Power's 14 projects closed in 2Q 2015, with the remaining 4 projects are expected to close in 4Q 2015; excludes Atlantic Power acquisition (Pro Forma includes 470 MW of Invenergy assets anticipated to be acquired by new warehouse facility)

2 Significant Scale...

\$M



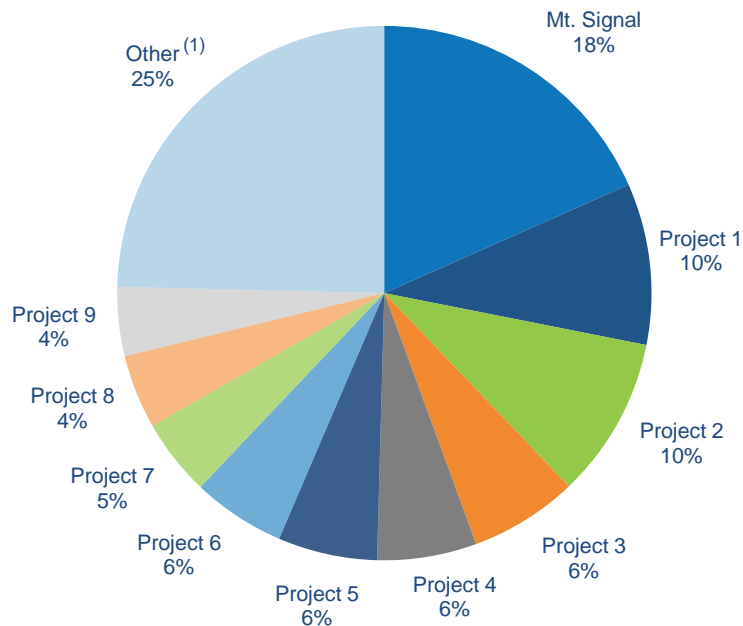
1. Net of 9.9% ownership stake retained by Invenergy in U.S. assets

2. Includes expected 10-year average unlevered CAFD (including 470 MW of Invenergy assets anticipated to be acquired by new warehouse facility and Atlantic Power assets which were previously acquired by a warehouse facility); does not impact 2015 guidance

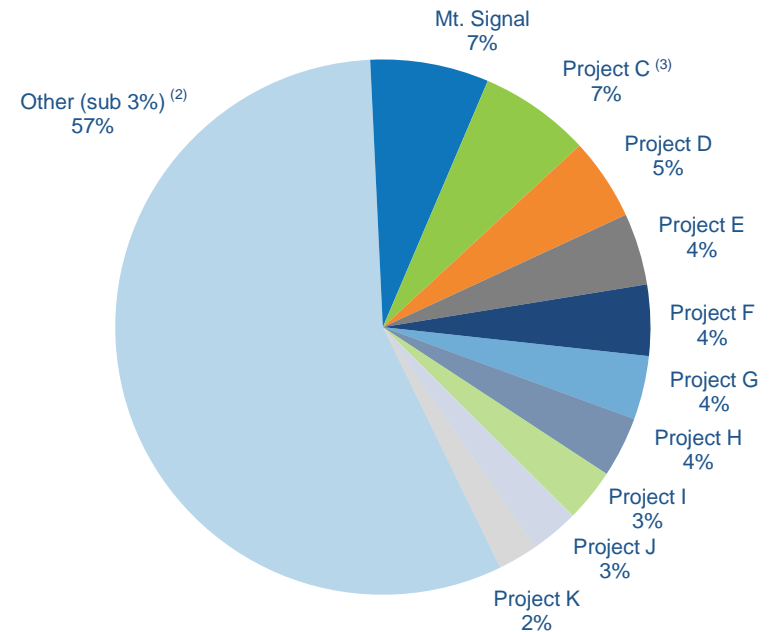
2 ...and Diversity of Cash Flow

TerraForm's cash flows continue to become even more diversified

% CFADS by Project at IPO



% Pro Forma CFADS by Project



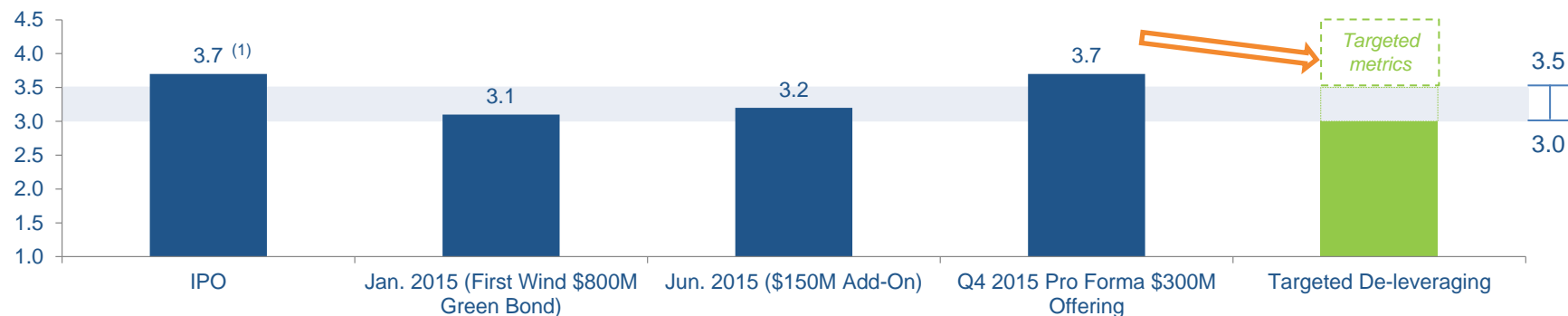
CFADS at IPO = \$114M

Pro Forma Run-Rate CFADS = \$316M

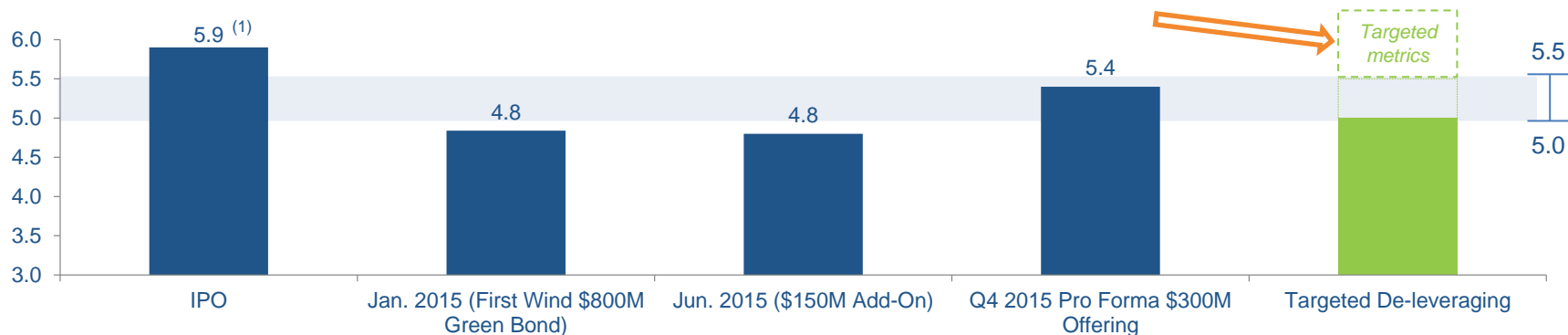
1. Represents 13 projects / portfolios with less than 4% CFADS contribution
 2. Represents 36 projects / portfolios with less than 3% CFADS contribution
 3. Portfolio consists of 39 projects in 4 distinct funds

3 Strong Financial Position and Conservative Leverage Profile

Adjusted HoldCo Net Debt / CFADS (x)



Adjusted Consolidated Net Debt / EBITDA (x)

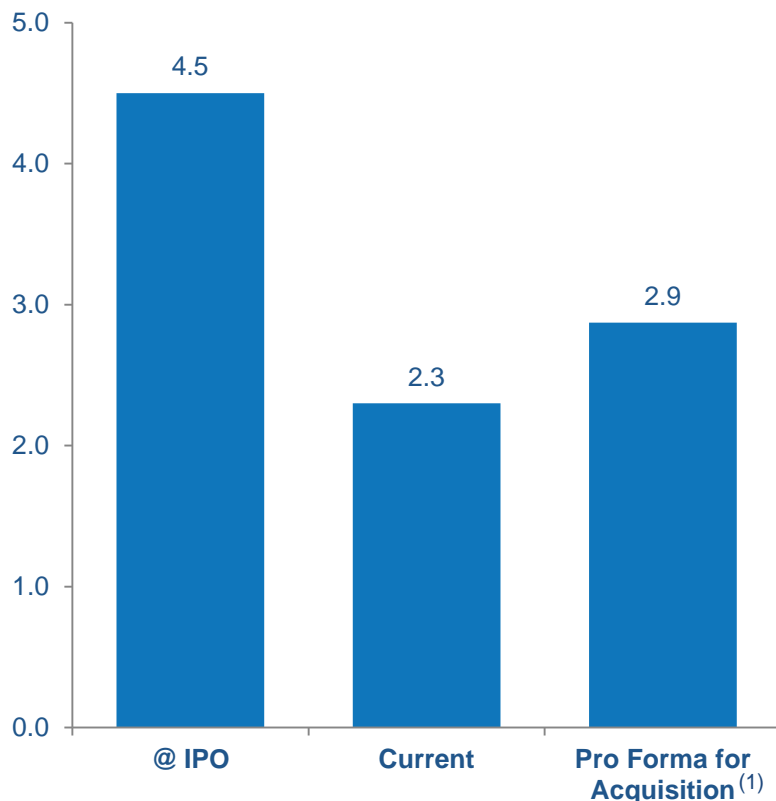


1. Represents original rated deal before contribution of Mt. Signal; metrics were 2.6x and 6.1x for HoldCo and Consolidated leverage, respectively

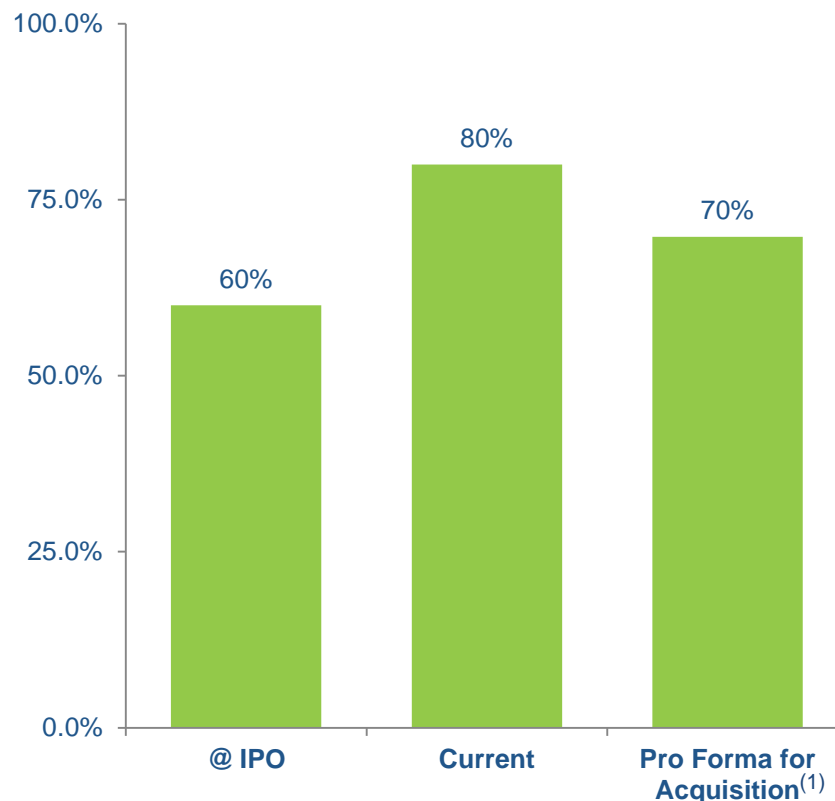
4 Limited Structural Subordination

70% of TerraForm's pro forma CFADS is expected to come from unlevered projects

Project-Level Debt ⁽²⁾ / Adjusted EBITDA (x)



Percentage of CFADS from Unlevered Projects



Existing project-level debt will continue to decline via scheduled amortization

Note: Pro forma net of 9.9% ownership stake retained by Invernergy in U.S. assets; only includes assets dropped down at closing

(1) Expect to repay all project-level debt of initially acquired Invernergy assets with the exception of \$174M of fixed rate notes at California Ridge at the time of the targeted refinancing in 1Q16

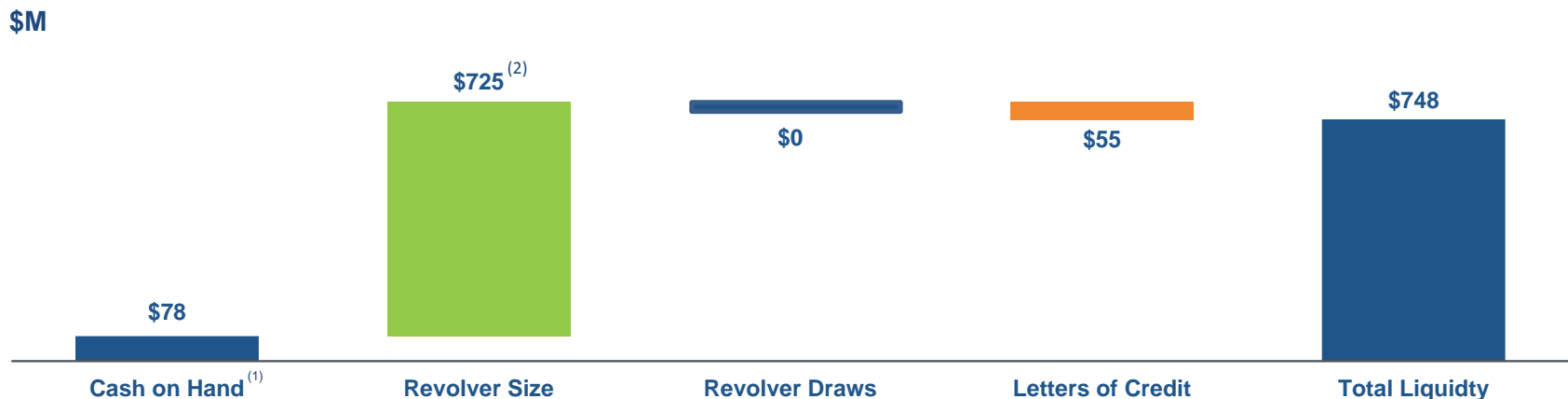
(2) Project-level debt excludes construction financing and financing lease obligations of \$212.1M and \$154.7M, respectively

5 Robust Liquidity

Financial Policy

- 1 Targeted long-term HoldCo leverage = 3.0-3.5x
- 2 Targeted long-term consolidated leverage = 5.0-5.5x
- 3 Meaningful liquidity to support growth

Strong Liquidity (Pro Forma as of March 31, 2015)



- Significant flexibility to utilize cash and revolver capacity as funding sources
- The Company's Revolving Credit Facility was recently upsized to \$650M, further demonstrating its strong bank support and ability to access the capital markets, with an additional commitment for \$75M upsizing subject to customary conditions

1. Amount includes net proceeds from June 18, 2015 equity offering. Does not reflect the application of those proceeds to repay outstanding borrowings under the revolver and the anticipated use of the remaining net proceeds for general corporate purposes, including the funding of future acquisitions. Does not reflect \$80M of restricted cash and \$9M of non-current restricted cash.

2. Gives effect to revolver commitment provided on July 13, 2015

Concluding Remarks and Q&A



Appendix



Run-Rate Reconciliation of Net Income to Adjusted EBITDA

(in thousands)	Run-Rate
Operating revenues	\$ 599,400
Operating costs and expenses:	
Costs of operations	132,300
Depreciation, amortization and accretion	210,300
General and administration (a)	27,700
Other non-recurring or non-cash expenses (b)	55,200
Total operating costs and expenses	425,500
Operating income	173,900
Interest expense, net	153,300
Other income	(1,300)
Income before income tax expense	21,900
Income tax expense	4,500
Net income	\$ 17,400
Add:	
Depreciation, amortization and accretion	\$ 210,300
Interest expense, net	153,300
Income tax expense	4,500
Other non-recurring or non-cash expenses	55,200
Stock-based compensation	15,700
Other	8,000
Adjusted EBITDA (c)	\$ 464,400

- Reflects all costs of doing business associated with the forecast operating portfolio, including expenses paid by SunEdison in excess of the payments received under the Management Services Agreement, and stock compensation expense. Excludes expenses associated with acquisition and financing activities
- Includes non-recurring and other non-cash expenses including loss on extinguishment of debt, acquisition and other non-operating expenses, and loss on foreign exchange associated with the revaluation of intercompany loans
- 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

Run-Rate Reconciliation of Net Income to CAFD

(in thousands)

Adjustments to reconcile net income to net cash provided by operating activities:

	Run-Rate
Net income	\$ 17,400
Depreciation, amortization and accretion	210,300
Non-cash items	28,200
Changes in assets and liabilities	10,200
Other non-recurring or non-cash expenses	55,200
Net cash provided by operating activities	\$ 321,300

Adjustments to reconcile net cash provided by operating activities to cash available for distribution:

Net cash provided by operating activities	\$ 321,300
Changes in assets and liabilities	(10,200)
Deposits into/withdrawals from restricted cash accounts	21,800
Cash distributions to non-controlling interests	(22,700)
Scheduled project-level and other debt service and repayments	(60,800)
Non-expansionary capital expenditures	(13,000)
Contributions received pursuant to agreements with SunEdison (a)	16,500
Other	19,600
Estimated cash available for distribution	\$ 272,500

- a. Primarily represents contributions received from SunEdison pursuant to the Interest Payment Agreement, which we expect will be satisfied upon the scheduled interest payment on the Senior Notes in August, 2017