

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **November 17, 2014**

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**TERRAFORM POWER, INC.**

(Exact name of registrant as specified in its charter)

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**001-36542**

(Commission File Number)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**46-4780940**

(I. R. S. Employer  
Identification No.)

**12500 Baltimore, Avenue  
Beltsville, Maryland 20705**

(Address of principal executive offices, including zip code)

**(443) 909-7200**

(Registrant's telephone number, including area code)

**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provision (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## **Item 1.01 Entry into a Material Definitive Agreement.**

On November 17, 2014, SunEdison, Inc. ("SunEdison"), TerraForm Power, Inc. ("TerraForm Power") and TerraForm Power, LLC ("TerraForm LLC"), a wholly-owned direct subsidiary of TerraForm Power, entered into a purchase and sale agreement (the "Purchase Agreement") to acquire First Wind Holdings, LLC ("Parent," together with its subsidiaries, "First Wind"). In the transaction, TerraForm LLC will purchase from First Wind certain solar and wind operating projects, and SunEdison will purchase Parent and all of the outstanding equity interests in certain subsidiaries of Parent that own, directly or indirectly, wind and solar operating and development projects, upon the terms and subject to the conditions in the Purchase Agreement (the "Acquisition").

SunEdison will purchase First Wind's development platform, pipeline and projects in development, including over 1.6 GW of pipeline and backlog that is expected to be added to TerraForm Power's project call right list for 2015-2017. All wattage measurements are in alternating current (AC) for wind projects, and in direct current (DC) for solar projects unless noted. Beyond this pipeline and backlog, First Wind has an identified development opportunities representing more than 6.4 GW of wind and solar projects.

TerraForm LLC will purchase 521 MW of operating power assets (including 500MW of wind and 21 MW of solar power assets) from First Wind, increasing the capacity of TerraForm LLC's operating portfolio by more than 50% through high-quality, contracted wind and solar projects in Maine, New York, Hawaii, Vermont and Massachusetts.

SunEdison and TerraForm LLC will pay a total consideration of up to \$2.4 billion. SunEdison will pay a total upfront consideration of up to \$1.1 billion, including the assumption of \$361 million of debt at closing, and an expected \$510 million of earnout payments over two-and-a-half years upon full notice to proceed with respect to solar earnout projects and substantial completion with respect to wind earnout projects (collectively, "Project Completion"). During the earnout period, SunEdison has agreed to take certain necessary action to achieve Project Completion for the earnout projects, including arranging all funding for necessary capital expenditures and continuing the employment of certain identified key employees to facilitate the development and construction of the earnout projects. SunEdison will not have any obligation to develop an earnout project if any specified disqualifying event occurs and is not cured within the cure period. First Wind will have the right to provide substitute projects with regard to the earnout in the event one or more of the initial earnout projects are terminated before Project Completion.

TerraForm LLC will acquire First Wind's operating portfolio for an enterprise value of \$862 million, which includes the equity purchase price, the assumption of debt for First Wind's operating portfolio, certain swap and debt breakage fees, and the purchase of a partner's ownership stake in certain assets held by First Wind through a joint venture (the "JV Purchase").

SunEdison and TerraForm LLC will also undertake \$1.5 billion of debt refinancings, including the debt assumed in the transaction and the then existing TerraForm Power debt and certain swaps and debt breakage costs. TerraForm LLC and SunEdison have secured fully committed bridge financing to support the transaction (the "Bridge Financing Commitment"). The Bridge Financing Commitment consists of an up to \$815 million second lien bridge facility of SunEdison and an up to \$1,550 million unsecured bridge facility of TerraForm Power Operating, LLC, a subsidiary of TerraForm LLC. The Bridge Financing Commitment is subject to certain conditions, including the negotiation of definitive documentation and other customary closing conditions.

In addition to customary closing conditions, the closing of the Acquisition is subject to (i) the redemption of certain secured notes issued by First Wind, the redemption price of which is required to be paid by SunEdison and (ii) the concurrent closing of the JV Purchase. The closing is also subject to the expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR Act") or early termination of the waiting period under the HSR Act and approval by the Federal Energy Regulatory Commission and certain state Public Utility Commissions.

In connection with the entry into the Purchase Agreement, TerraForm LLC, SunEdison and SunEdison Holdings Corporation entered into an intercompany agreement (the "Intercompany Agreement"). The Intercompany Agreement sets forth the agreement among the parties with respect to, among other things, (a) contributions between, and allocations among, the parties and their respective affiliates of certain costs, expenses, indemnity payments and purchase price adjustments under the Purchase Agreement and certain excess capital expenditures and operation and maintenance costs for operating projects following the closing of the Acquisition, (b) the grant by SunEdison, Inc. to TerraForm LLC of certain call right options, and (c) the modification of certain terms of the Interest Payment Agreement dated as of July 23, 2014 among SunEdison, Inc., SunEdison Holdings Corporation, TerraForm LLC and TerraForm Power Operating, LLC.

Each of the foregoing descriptions of the Purchase Agreement and the Intercompany Agreement is qualified in its

entirety by reference to the Purchase Agreement and the Intercompany Agreement, respectively, a copy of each of which will be filed upon the earlier of the filing of (i) a Form 8-K to report the completion of the Acquisition or (ii) the Company's Form 10-K for the year ended December 31, 2014.

### **Forward Looking Statements**

This report 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 the timing of the completion of the acquisition, 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, Inc. 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 development or construction; TerraForm Power, Inc.'s ability to successfully identify, evaluate and consummate acquisitions from SunEdison, Inc. or third parties, including the acquisition of the wind generating projects from Sellers; government regulation; operating and financial restrictions under agreements governing indebtedness; TerraForm's ability to borrow additional funds and access capital markets; TerraForm Power, Inc.'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, Inc. undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause TerraForm Power, Inc.'s actual results to differ materially from those contemplated in the forward-looking statements included in this report should be considered in connection with information regarding risks and uncertainties that may affect TerraForm Power, Inc.'s future results included in TerraForm Power, Inc.'s filings with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov).

### **Item 7.01 Regulation FD Disclosure.**

On November 17, 2014, TerraForm Power and SunEdison issued a joint press release regarding the Acquisition. A copy of the press release is furnished as Exhibit 99.1 hereto. TerraForm Power and SunEdison will host a conference call for investors to discuss the Acquisition. The presentation materials for the conference call are available on the events page of the investor sections of SunEdison's and TerraForm Power's websites at [www.SunEdison.com](http://www.SunEdison.com) and <http://ir.terraform.com>.

In accordance with General Instruction B.2 of Form 8-K, the press release is deemed to be “furnished” and shall not be deemed “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information and Exhibit be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated November 17, 2014.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### **TerraForm Power, Inc.**

By: /s/ Sebastian Deschler  
Sebastian Deschler  
Senior Vice President, General Counsel and Secretary

Dated: November 17, 2014.

## EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated November 17, 2014.



## SUNEDISON AND TERRAFORM POWER SIGN DEFINITIVE AGREEMENT TO ACQUIRE FIRST WIND FOR \$2.4 BILLION

### ***SunEdison to become world's largest renewable energy development company***

- Enters U.S. wind market, doubling total addressable market
- 8.0 GW increase of total pipeline, backlog and leads

### ***Immediate value creation for SunEdison and DPS accretion for TerraForm Power***

- SunEdison raises 2015 installation guidance from 1.6-1.8 GW to 2.1-2.3 GW and accelerates timing of IDRs by approximately one year
- TerraForm acquires 521 MW of operating wind and solar power plants with \$72.5 million in CAFD
- TerraForm raises 2015 dividend guidance to \$1.30 per share, an increase of 44%

### ***Transaction financing fully committed, drop down growth funding secured***

- \$2.4 billion of committed bridge financing to fund transaction
- \$1.5 billion of non-recourse capital secured from six global banking institutions and First Reserve Infrastructure to fund growth

MARYLAND HEIGHTS, MO and BELTSVILLE, MD, Nov. 17, 2014 - SunEdison, Inc. (NYSE: SUNE), a leading global solar developer, and TerraForm Power, Inc. (Nasdaq: TERP), a global owner and operator of renewable energy power plants, today announced that they have signed a definitive agreement to acquire First Wind, one of the leading developers, owners and operators of wind projects in the U.S.

With the purchase, SunEdison acquires the leading independent wind development and asset management company and becomes the leading global renewable energy development company. As a result, SunEdison raises its 2015 project installation guidance from 1.6-1.8 GW to 2.1-2.3 GW. SunEdison shareholders are expected to benefit from increased project development cash flow, asset management revenues, and dividend payments from TerraForm Power. The transaction also will accelerate the timing and enhance the visibility of SunEdison's receipt of incentive distribution rights ("IDRs") from TerraForm Power, and increase the value of SunEdison's yieldco platform.

The transaction is immediately accretive to TerraForm Power and is expected to deliver \$72.5 million in unlevered cash available for distribution ("CAFD") in 2015. Pro forma for the transaction, TerraForm Power raises its 2015 CAFD guidance to \$214 million and 2015 dividend guidance to \$1.30 per share, a 44% increase over its current \$0.90 dividend rate.

SunEdison will purchase over 1.6 GW of pipeline and backlog projects, which have been added to TerraForm Power's call right project list and are expected to be operational in 2016-2017. Included in the transaction is an additional 6.4 GW of project development opportunities. SunEdison expects to accelerate the rate of project development and realize significant synergies and growth opportunities by integrating First Wind's wind platform into its own global project development and finance platform.

TerraForm Power acquires 521 MW of contracted wind generation assets from First Wind and adds 1.6 GW to its list of call right projects scheduled for drop down in 2016-2017. The acquisition increases the generation capacity of TerraForm Power's operating portfolio by more than 50% and provides further geographic diversity in Maine, New York, Hawaii, Vermont and Massachusetts. In addition, subsequent to the acquisition, TerraForm Power's call right project list with SunEdison will double to 3.2 GW of solar and wind projects.

"The acquisition of First Wind transforms both SunEdison and TerraForm Power into diversified renewable energy companies and will make SunEdison the leading renewable power plant developer in the world," said Ahmad Chatila, President and Chief Executive Officer of SunEdison. "By bringing together First Wind's proven development and operational capabilities and SunEdison's global corporate infrastructure and renewable energy development and finance experience, we will be well-positioned to capitalize on the significant growth opportunities in the global wind power markets and drive returns to shareholders of both SunEdison and TerraForm Power."

“This acquisition is immediately accretive and establishes TerraForm Power as a leading asset owner in the wind energy market while demonstrating the Company’s commitment to delivering on TerraForm Power’s diversified growth strategy,” said Carlos Domenech, President and Chief Executive Officer of TerraForm Power. “We are adding significant CAFD through a transaction with a greater than 9% levered cash-on-cash yield, increasing our dividend by 44% and expanding the potential drivers of our long-term growth.”

“We are excited to become part of the SunEdison team,” said Paul Gaynor, Chief Executive Officer of First Wind. “This new strategic organization will allow us to join with SunEdison to develop and invest in new, long-term-contracted, well-sited and well-run renewable energy projects that deliver clean energy to homes and businesses across the country and internationally. We will be able to leverage our strength in development and operations, proven during the completion of 1.5 GW of wind projects over eight years, with two world-class companies.”

### **Transaction Details**

Total consideration for the acquisition of First Wind is up to \$2.4 billion, comprised of \$1.9 billion in upfront consideration and a \$510 million earn-out.

SunEdison’s portion of the total consideration is \$1.5 billion, comprised of an upfront consideration of \$1.0 billion and the earn-out. As part of its upfront consideration, SunEdison will issue a \$340 million seller note. The earn-out will be payable by SunEdison subject to completion of certain projects in First Wind’s backlog. TerraForm Power will acquire First Wind’s operating portfolio for an enterprise value of \$862 million.

Concurrently, SunEdison will put in place a \$1.5 billion non-recourse warehouse financing facility, for projects expected to be dropped down into TerraForm, that will provide certainty of development financing for the Company to complete the build-out of its backlog and pipeline projects, including those acquired from First Wind.

TerraForm Power and SunEdison have secured fully committed bridge financing to support the aggregate First Wind transaction consideration, refinance TerraForm Power’s existing indebtedness, and fund future growth through the drop down warehouse facility.

The transaction is expected to close during the first quarter of 2015, subject to usual and customary conditions and regulatory approvals.

Morgan Stanley acted as lead financial advisor and provided a fairness opinion to SunEdison. Barclays acted as co-advisor to SunEdison and lead structuring agent on the financing. BofA Merrill Lynch acted as lead financial advisor to TerraForm in connection with the First Wind acquisition and lead structuring agent on the drop down warehouse credit facility. Citi acted as co-advisor to TerraForm. Lazard provided a fairness opinion to the Corporate Governance Committee of the TerraForm Board of Directors. Goldman Sachs acted as exclusive financial advisor to First Wind. Marathon Capital acted as advisor to First Wind’s Board of Directors.

Orrick acted as M&A counsel to SunEdison and TerraForm. Cleary Gottlieb acted as counsel to the Corporate Governance Committee of the TerraForm Board of Directors. Davis Polk acted as counsel to First Wind.

## **Investor Meeting**

SunEdison and TerraForm Power will host a meeting for investors and analysts at 8:00 am Tuesday, November 18 at the St. Regis Hotel in New York. A conference call line and webcast will be available to participants unable to attend the meeting in person.

Date: Tuesday, November 18

Time: 8:00 am Eastern

Location: St. Regis Hotel  
20<sup>th</sup> Floor Ballroom  
5th Ave. at 55th St.  
New York, NY 10022

Dial-in Information: Dial-in: (612) 332-1025

Reference: SunEdison and TerraForm Power Announcement

Webcast link: <http://edge.media-server.com/m/p/vwuh8g7g/lan/en>

A live webcast of the call and presentation will be available on the events sections of both companies' websites. Please go to the websites at least 15 minutes prior to the call to register, download and install any necessary audio software. An archived recording of the call will be available on the events page of the investor sections of SunEdison's and TerraForm Power's websites and at the telephone number below following the call.

Links to the websites are: [www.SunEdison.com](http://www.SunEdison.com) and <http://ir.terraform.com>.

Digitized Replay: (800) 475-6701; From outside the U.S.: (320) 365-3844

Access Code: 344790

Digitized Replay: November 18, 2014 at 11:30 am Eastern Time to December 1, 2014 at 11:59 pm Eastern Time

## **About SunEdison**

SunEdison is a global leader in transforming how energy is generated, distributed and owned. SunEdison manufactures solar technology and develops, finances, installs and operates distributed solar power plants, delivering predictably priced electricity and services to its residential, commercial, government and utility customers. SunEdison also provides 24/7 asset management, monitoring and reporting services for hundreds of solar systems worldwide via the Company's Renewable Operation Center (ROC). SunEdison has offices in North America, Europe, Latin America, Africa and Asia. SunEdison's common stock is listed on the New York Stock Exchange under the symbol "SUNE."

## **About TerraForm Power**

TerraForm Power (Nasdaq: TERP) is a renewable energy leader that is changing how energy is generated, distributed and owned. TerraForm Power creates value for its investors by owning and operating renewable energy power plants. For more information about TerraForm Power, please visit: <http://www.terraform.com>.

## **About First Wind**

First Wind is an independent renewable energy company exclusively focused on the development, financing, construction, ownership and operation of utility-scale renewable energy projects in the United States. Based in Boston, First Wind is operating or building renewable energy projects in the Northeast, the West and Hawaii, with combined capacity of nearly 1,300 megawatts (MW) - enough to power more than 425,000 homes each year. For more information on First Wind, please visit [www.firstwind.com](http://www.firstwind.com) or follow us on Twitter @FirstWind.

## **Forward-Looking Statements**

This press 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 the timing of the completion of the acquisition, 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 SunEdison and TerraForm Power believe that their expectations and assumptions are reasonable, they 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 development or construction; TerraForm Power, Inc.'s ability to successfully identify, evaluate and consummate acquisitions from SunEdison, Inc. or third parties, including the acquisition of the wind generating projects from First Wind; government regulation; operating and financial restrictions under agreements governing indebtedness; SunEdison and TerraForm Power's ability to borrow additional funds and access capital markets; SunEdison and 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.

SunEdison and TerraForm Power undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause SunEdison and TerraForm Power's actual results to differ materially from those contemplated in the forward-looking statements included in this press release should be considered in connection with information regarding risks and uncertainties that may affect SunEdison and TerraForm Power's future results included in SunEdison and TerraForm Power's filings with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov).

#### **Cash Available for Distribution (CAFD)**

CAFD is a supplemental non-GAAP measure of TerraForm Power's ability to earn and distribute cash to investors. This measurement is not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance. A reconciliation of CAFD to the most comparable GAAP measure can be found below.

#### **Adjusted EBITDA**

Adjusted EBITDA is a supplemental non-GAAP financial measure which eliminates the impact on net income of certain unusual or non-recurring items and other factors that we do not consider indicative of future operating performance. This measurement is not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance, including net income. The presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

## Appendix Table A-1: Reg. G: TerraForm Power, Inc. 2015 Guidance for Estimated Cash Available for Distribution

(In thousands)	Year Ending 2015	
	As of Nov. 5 <sup>th</sup>	Revised
Operating Revenues	\$ 330,700	\$ 466,700
Operating Costs and Expenses:		
Costs of operations	55,700	97,500
Depreciation, amortization and accretion	107,500	153,500
General and administration (1)	17,200	20,200
Total operating costs and expenses	180,400	271,200
Operating income	150,300	195,500
Interest expense, net	91,100	105,800
Income before income tax expense	59,200	89,700
Income tax expense	23,000	35,000
Net income	\$ 36,200	\$ 54,700
Add:		
Depreciation, amortization and accretion	107,500	153,500
Interest expense, net	91,100	105,800
Income tax expense	23,000	35,000
Stock base compensation	10,500	10,500
Adjusted EBITDA (2)	\$ 268,300	\$ 359,500
<b>Adjustments to reconcile net income to net cash provided by operating activities</b>		
Net income	\$ 36,200	\$ 54,700
Depreciation, amortization and accretion	107,500	153,500
Non-cash items	35,700	52,100
Changes in assets and liabilities	20,700	41,100
Other	(600)	(500)
Net cash provided by operating activities	\$ 199,400	\$ 300,900
<b>Adjustments to reconcile net cash provided by operating activities to cash available for distribution:</b>		
Net cash provided by operating activities	\$ 199,400	\$ 300,900
Changes in assets and liabilities	(20,700)	(41,100)
Deposits into/withdraws from restricted cash accounts	6,100	10,300
Cash distributions to non-controlling interests	(11,400)	(25,200)
Scheduled project-level and other debt service and repayments	(31,700)	(31,700)
Non-expansionary capital expenditures	(500)	(13,100)
Contributions received pursuant to the Interest Payment Agreement with SunEdison (3)	15,600	15,600
Other	(900)	(1,700)
Estimated cash available for distribution	\$ 155,900	\$ 214,000

(1) Reflects all costs of doing business associated with the 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.

(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.

### TerraForm Power Contact Information

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