



Alamosa Project in Colorado: 8 MW

## Financing Update

July 27, 2015



**TerraForm** <sup>POWER</sup>  
a SunEdison company

# Safe Harbor

---

With the exception of historical information, certain matters disclosed in this presentation are forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Potential risks and uncertainties are described in the filings of SunEdison, Inc. (“SunEdison”) and TerraForm Power, Inc. (“TerraForm Power” and, together with SunEdison, the “Companies”) with the Securities and Exchange Commission (SEC), including each Company’s most recent report on Form 10-K, TerraForm Power’s most recent registration statement on Form S-1, and each Company’s reports on Forms 10-Q and 8-K, in addition to the risks and uncertainties described on page 3 of this presentation. These forward-looking statements represent the Companies’ judgment as of the date of this presentation and the Companies disclaim any intent or obligation to update these forward-looking statements, except as otherwise required by law.

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 the appendix to this presentation.

# 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 our acquisitions, expected installed capacity, expected CAFD, expected yield, and number of customers, 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. Certain matters discussed in this presentation and conference call are forward-looking statements. The forward-looking statements contained in this presentation represent SunEdison’s and TerraForm Power’s judgment as of the date of this presentation and 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 off-take agreements; price fluctuations, termination provisions and buyout provisions in offtake agreements; TerraForm Power’s ability to enter into contracts to sell power on acceptable terms as offtake agreements expire; delays or unexpected costs during the completion of projects under construction; TerraForm Power’s ability to successfully identify, evaluate and consummate acquisitions from SunEdison or third parties and to integrate such assets; government regulation; operating and financial restrictions under agreements governing indebtedness; SunEdison’s and TerraForm Power’s ability to borrow additional funds and access capital markets or otherwise obtain financing for acquisitions, including through warehouse facilities; SunEdison’s and TerraForm Power’s ability to compete against traditional and renewable energy companies; hazards customary to the power production industry and power generation operations, such as unusual weather conditions and outages, and TerraForm Power’s ability to operate its business efficiently and enter into new business segments or new geographies. Furthermore, any dividends are subject to available capital, market conditions and compliance with associated laws and regulations and other matters that our board of directors deem relevant. 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, except as otherwise required by law. The foregoing review of factors that could cause SunEdison’s and TerraForm Power’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 SunEdison’s and TerraForm Power’s future results included in SunEdison’s and TerraForm Power’s filings with the Securities and Exchange Commission available at [www.sec.gov](http://www.sec.gov).

# Agenda

---

**Executive Summary**

**Transaction Financing Update**

**Portfolio & Cash Flow Overview**

# Executive Summary

---

## ■ Adjusting financing plan for Vivint Solar and Invenergy acquisitions

- Management believes TERP equity is significantly undervalued at today's prices
- TERP does not intend to issue equity at these levels to fund the transactions
- Modifying Vivint Solar financing to use cash on hand and incremental project debt
- Current liquidity of \$1.25B and conservative leverage are pillars of financial policy
- Over \$2B of warehouse capacity raised in the last year, ability to significantly expand
  - Adding additional Invenergy asset into TerraForm Private warehouse facility

## ■ Vivint's operating portfolio is immediately accretive, provides attractive cash flows

- \$81M CAFD, 9.5% 10-year cash-on-cash yield<sup>1</sup> from 523 MW initial portfolio
- Growing CAFD profile through 2.9% PPA escalator, drives increasing C-o-C yields
- Predictable flow of future drop down assets on a quarterly basis increases visibility
- Transaction close expected in November/December

## ■ TerraForm Power dividend trajectory provides best in class total return

- 30% Y-o-Y DPS growth from 2015 to 2016 based on current guidance

---

1. Yield calculation assumes \$67M 10-year average levered CAFD and 3x HoldCo leverage

# Agenda

---

**Executive Summary**

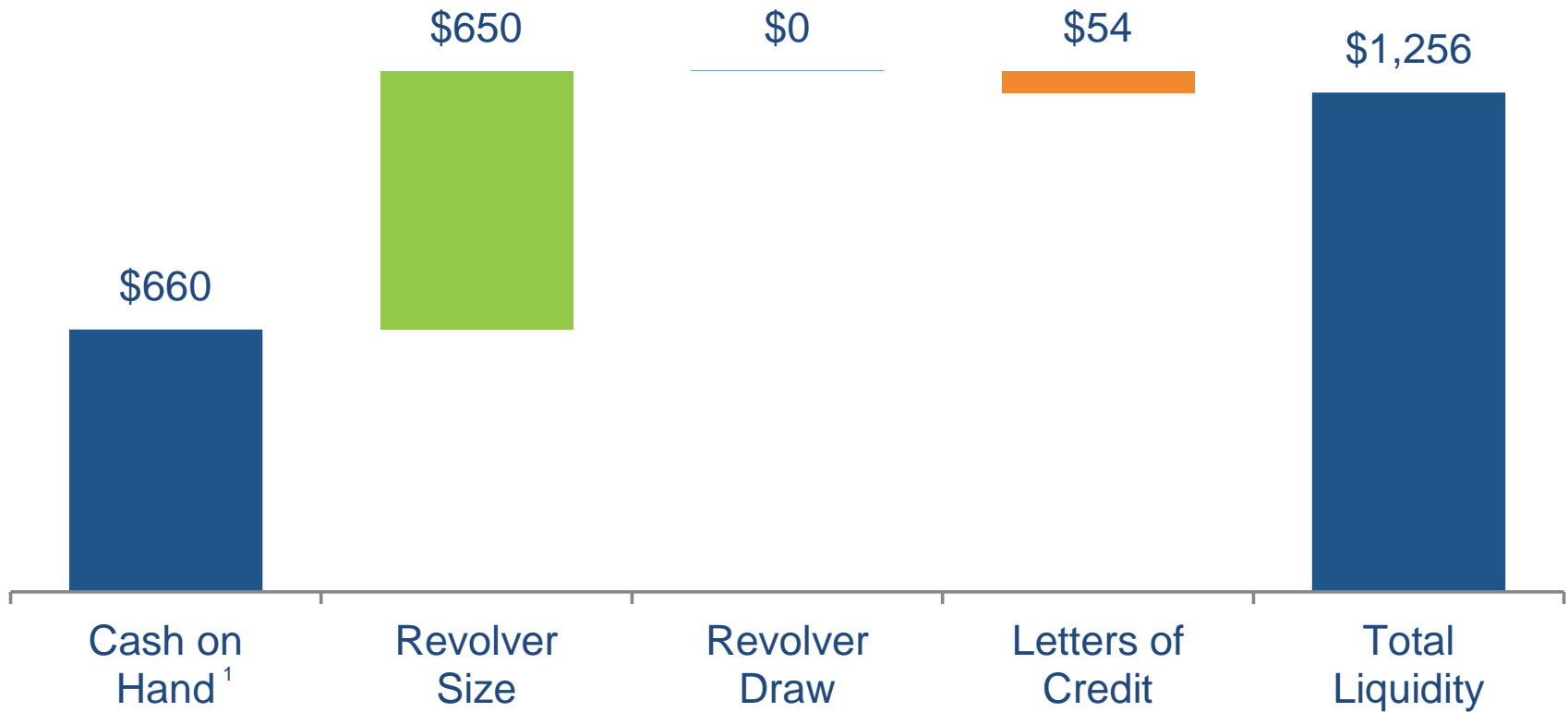
**Transaction Financing Update**

**Portfolio & Cash Flow Overview**

# TERP Has \$1.25B of Available Liquidity

\$M

Strong Liquidity (as of July 24, 2015)



1. Excludes restricted cash (\$80M), includes remaining proceeds from June equity (\$599M) and July bond (\$300M) capital raises

# Revised Financing Plan: Fund Acquisitions Without Issuing Equity

\$M

A

## TERP Acquires 523 MW of Vivint Solar Assets and 265 MW of Invenergy Assets

### Sources of Funds

Cash on Hand	\$610
Assumed Project Debt	358
New Project Debt	261
New HoldCo Bond	200
<b>Total Sources of Funds</b>	<b>\$1,429</b>

### Uses of Funds

Invenergy Assets (Raleigh & Rattlesnake)	\$467
Vivint Solar Assets	962
<b>Total Uses of Funds</b>	<b>\$1,429</b>

B

## TerraForm Private Warehouse Financing for Remaining 665 MW of Invenergy Assets

### Sources of Funds

TerraForm Private Warehouse Financing <sup>1</sup>	\$1,588
<b>Total Sources of Funds</b>	<b>\$1,588</b>

### Uses of Funds

Remaining U.S. Portfolio <sup>2</sup>	\$1,588
<b>Total Uses of Funds</b>	<b>\$1,588</b>

1. TerraForm Private warehouse facility is expected to be upsized by our sponsor SunEdison  
 2. Now includes California Ridge asset, in addition to original assets of Bishop Hill and Prairie Breeze 1,2, and 3



# TERP Pro Forma Capital Structure

\$M

	Standalone TERP	Adjustments for Acquisitions	Pro Forma
Cash	\$660	(\$610)	\$50
<b>Liquidity Available (Cash on Hand and Revolver)</b>	<b>\$1,256</b>	<b>(\$610)</b>	<b>\$646</b>
HoldCo Debt	\$1,250	\$200	\$1,450
Permanent Project Debt	883	619	1,502
<b>Total Debt</b>	<b>\$2,133</b>	<b>\$819</b>	<b>\$2,952</b>
Run-Rate EBITDA	\$383	\$184	\$567
Run-Rate HoldCo CFADS	293	102	395
<b>Credit Metrics</b>			
<b>Adjusted Net Debt / Run-Rate EBITDA</b>	<b>3.8x</b>		<b>5.1x</b>
<b>Adjusted Net HoldCo Debt / Run-Rate HoldCo CFADS</b>	<b>2.0x</b>		<b>3.5x</b>

Note: CFADS is Cash Flow Available for Debt Service (CAFD before HoldCo debt service payments)



# Agenda

---

**Executive Summary**

**Transaction Financing Update**

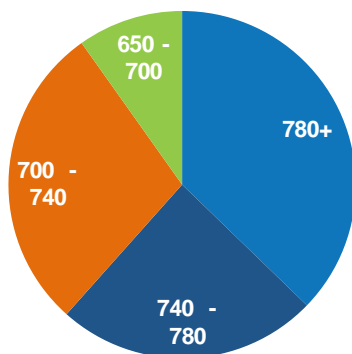
**Portfolio & Cash Flow Overview**

# High Quality Residential Solar Portfolio



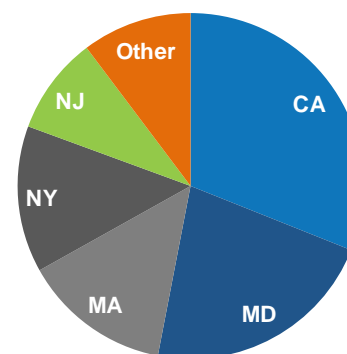
Year End 2015 Installed Capacity	523 MW
10-Year Expected Average Unlevered CAFD	\$81M
10-Year Expected Levered Cash-on-Cash Yield <sup>1</sup>	9.5%
Remaining Contract Life	>19 Years
Number of Customers	77,000+
% of Systems with PPA Escalator	>99%
Average PPA Price	\$0.14 / kWh

Portfolio FICO Scores



Average<sup>2</sup> FICO score of 750

Geographic Diversity<sup>2</sup>



Diversification across major solar states

1. Yield calculation assumes \$67M 10-year expected average levered CAFD and 3x HoldCo leverage  
 2. Weighted average based on MW



# Attractive Expected CAFD Profile With Escalators

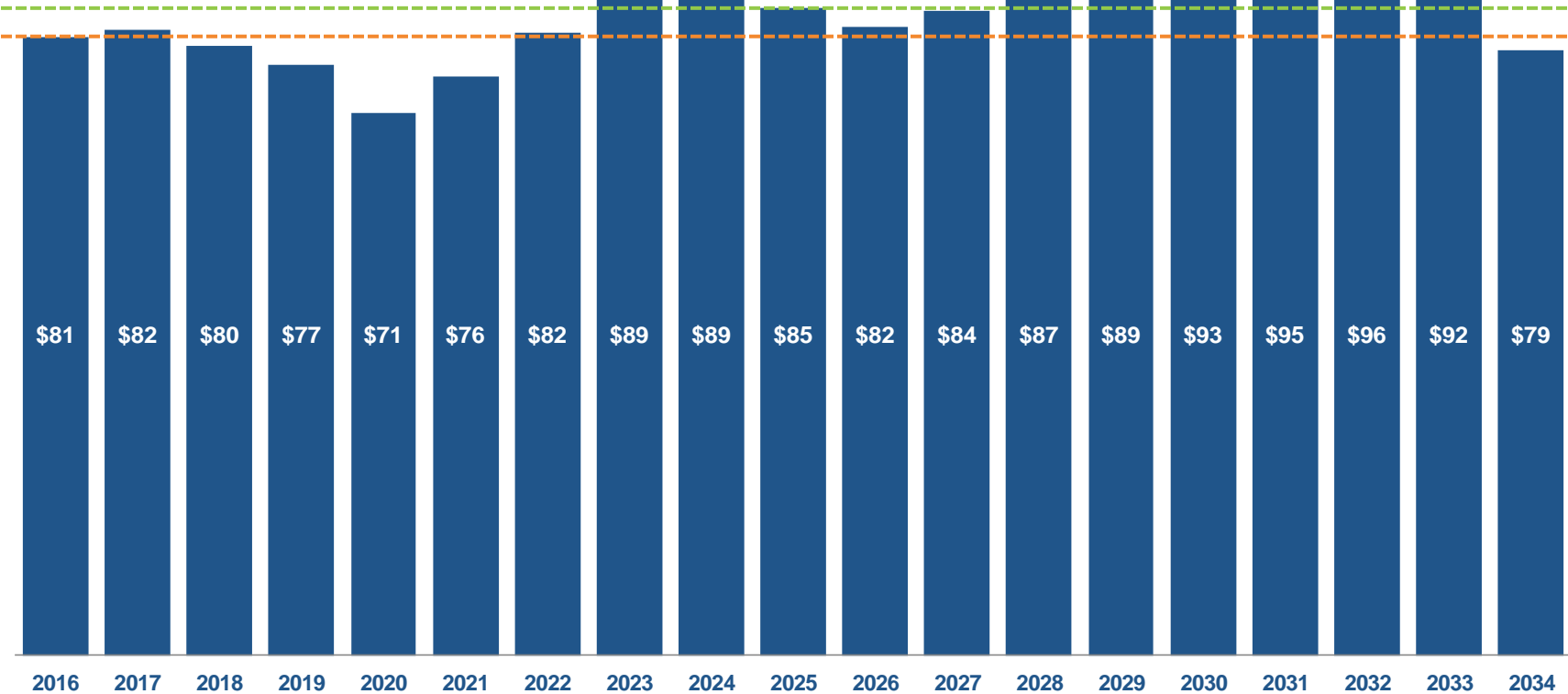
\$M

\$81M 10-Year Average

\$85M Remaining Contract Life Average

	Yield Summary		
	1-year Yield	10-year Yield	Rem. Contract Life Yield
Unlevered	8.7%	8.7%	9.1%
Levered	9.5%	9.5%	10.1%

Unlevered CAFD



Contracted, escalating PPAs provide attractive cash-on-cash yields





**TerraForm** POWER  
a SunEdison company

# TERP Reg. G: Full Year Pro Forma Reconciliation of Run-Rate Net Income to Adjusted EBITDA

(in thousands)	<u>Full Year Run-Rate</u>
Operating revenues	\$ 716,500
Operating costs and expenses:	
Costs of operations	147,300
Depreciation, amortization and accretion	280,400
General and administration <sup>1</sup>	27,700
Other non-recurring or non-cash expenses <sup>2</sup>	<u>55,200</u>
Total operating costs and expenses	<u>510,600</u>
Operating income	205,900
Interest expense, net	178,800
Other income	<u>(1,300)</u>
Income before income tax expense	28,400
Income tax expense	<u>5,800</u>
Net income	<u>\$ 22,600</u>
 Add:	
Depreciation, amortization and accretion	\$ 280,400
Interest expense, net	178,800
Income tax expense	5,800
Other non-recurring or non-cash expenses	55,200
Stock-based compensation	15,800
Other	<u>8,000</u>
<b>Adjusted EBITDA<sup>3</sup></b>	<b><u>\$ 566,600</u></b>

1. 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
2. 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
3. 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



# TERP Reg. G: Full Year Pro Forma Reconciliation of Run-Rate Net Income to Cash Available for Distribution (CAFD) and Cash Flow Available for Debt Service (CFADS)

(in thousands)	<u>Full Year Run-Rate</u>
Adjustments to reconcile net income to net cash provided by operating activities:	
Net income	\$ 22,600
Depreciation, amortization and accretion	280,400
Non-cash items	29,500
Changes in assets and liabilities	10,400
Other non-recurring or non-cash expenses	<u>55,200</u>
Net cash provided by operating activities	<u>\$ 398,100</u>
Adjustments to reconcile net cash provided by operating activities to cash available for distribution:	
Net cash provided by operating activities	\$ 398,100
Changes in assets and liabilities	(10,400)
Deposits into/withdrawals from restricted cash accounts	29,900
Cash distributions to non-controlling interests	(70,400)
Scheduled project-level and other debt service and repayments	(48,200)
Non-expansory capital expenditures	(14,600)
Contributions received pursuant to agreements with SunEdison <sup>1</sup>	16,500
Other	<u>19,700</u>
<b>Estimated cash available for distribution (CAFD)</b>	<b><u>\$ 320,600</u></b>
Corporate interest expense, net of Interest Payment Agreement	<u>74,400</u>
<b>Estimated cash available for debt service (CFADS)</b>	<b><u>\$ 395,000</u></b>

1. 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