



Alamosa Project in Colorado: 8 MW

4Q 2014 Results

February 18, 2015



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), 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 today's press release announcing our financial results, which press release is included as an exhibit to our Form 8-K filed today with the SEC and has been 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 or changes in the anticipated timing of any acquisitions; 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; TerraForm Power’s ability to integrate acquired power plants, including the First Wind assets; 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, February 18, 2015, 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.

Agenda

Topic

1. Executive Summary

2. Growth and Execution Since IPO

3. Q4 Financial Results

4. 2015 Guidance and Outlook

5. Appendix: Reg. G Reconciliation



USA: Mt. Signal 266 MW

Section 1: Executive Summary

Executive Summary: Best in Class Growth

- **Q4: Aligned with expectations, CAFD of \$17M**
 - CAFD ahead of plan by \$3M due to acquisitions
 - Declared a 20% Q4 dividend increase to \$1.08/share annualized
- **2015: Reaffirming guidance at \$1.30/share, \$214M CAFD**
 - 1,507 MW portfolio (acquisition of 521 MW of First Wind assets on-boarded)
 - Strong run-rate CAFD of ~\$180M from current portfolio
- **Clear growth visibility: 3.3 GW committed SunEdison drop downs**
- **Well capitalized balance sheet and access to significant liquidity**
 - \$640M of corporate liquidity as of Jan 31, 2015 (excluding restricted cash)
 - \$1.5B of dropdown warehouse facility capital; ability to expand
- **Incremental M&A opportunities**
 - Fragmented operating portfolios in both wind and solar
 - Robust funnel of large proprietary transactions at attractive returns

Executed Beyond IPO Plan, Enhanced Visibility and Growth

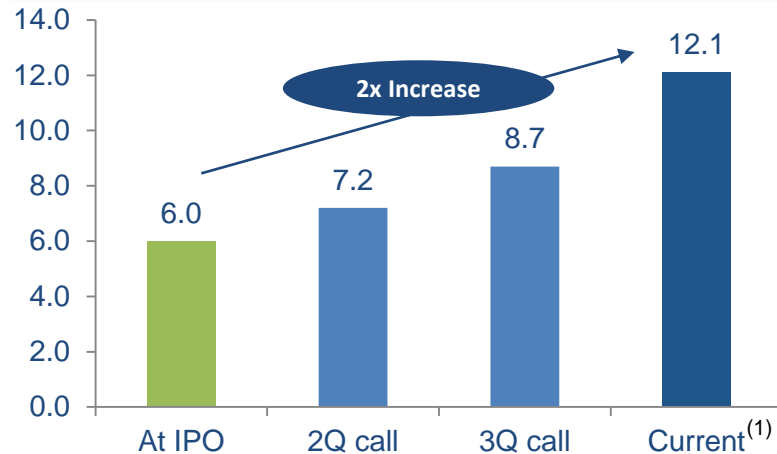


USA: KWP | 30 MW

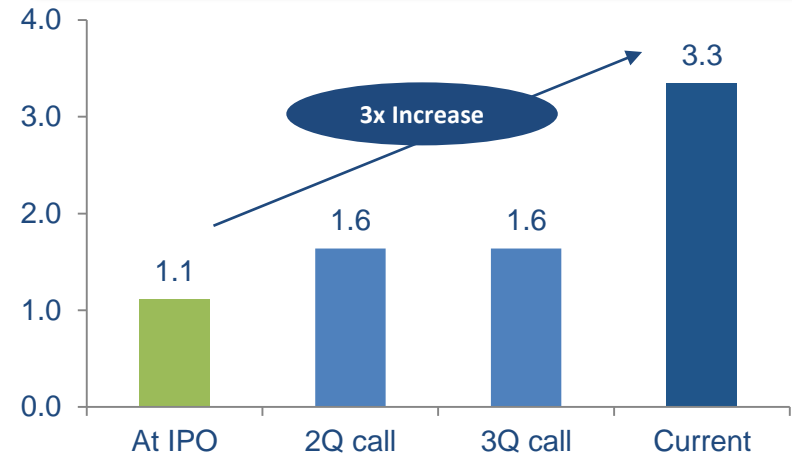
Section 2: Growth and Execution Since IPO

Clarity and Visibility to Growth ... Consistent Outperformance

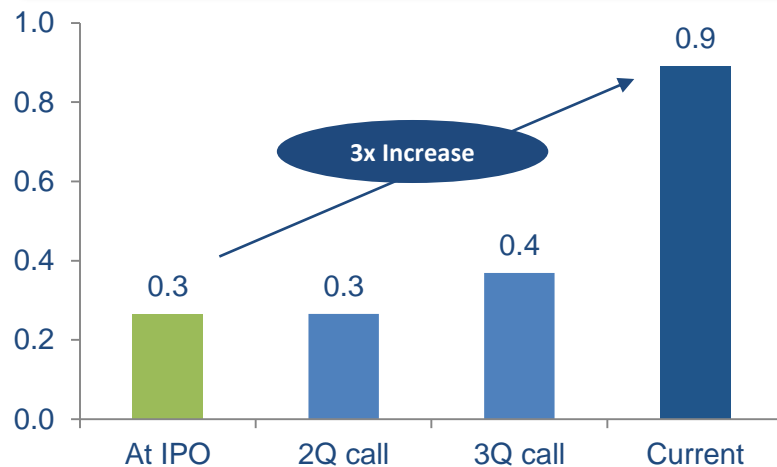
SunEdison: Expected Project Conversions (GW)



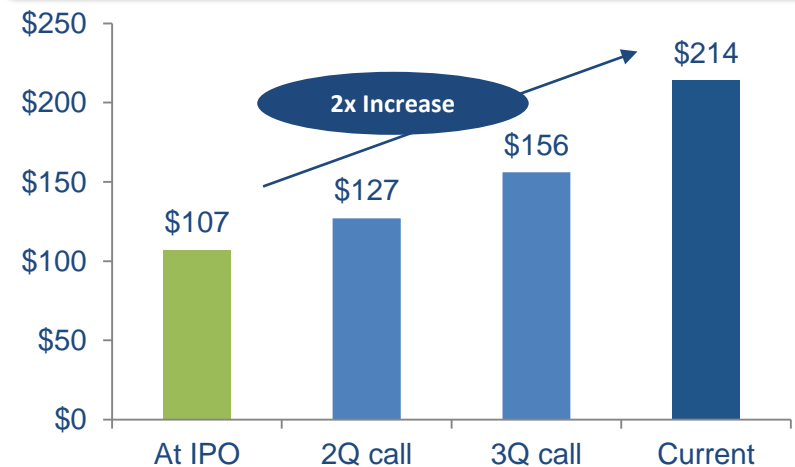
Call Right Projects (GW)



Cumulative Third Party M&A (GW)



2015 CAFD Guidance (\$M)



1. Includes 2.1 GW of expected conversions from the 8 GW of First Wind development stage projects

TerraForm Accomplishments Since IPO

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



@ IPO
July 2014



% Increase

Total MW	808 MW	1,507 MW	86%
Call Right Pipeline⁽¹⁾	1.1 GW	3.3 GW	202%
2015 EBITDA Guidance	\$193M	\$374M	94%
2015 CAFD Guidance	\$107M	\$214M	100%
Dividend Guidance	\$0.90	\$1.30	44%
Long-Term Dividend Growth Target	15%	24%	60%

1. 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.



Third Party Acquisitions: Small, Medium, Large



Mt. Signal

@IPO



“Small”



“Medium”



“Large”

Total

Size	266 MW	25 MW	78 MW	521 MW	890 MW
# of Power Plants	1	101	39	16	157
Locations	CA	MA, NJ, NY, PA	CA, MA, NJ, NY, PA	HI, MA, ME, NY, VT	U.S.
Generation Type	Utility Solar	DG Solar	DG Solar	Utility Wind (500 MW) Utility Solar (21 MW)	
MW–Weighted Remaining PPA Life	24	15	19	10	
MW–Weighted Credit Rating ⁽¹⁾	A / A1	A+ / A1	A- / A3	A- / A3	
CAFD	\$22M ⁽²⁾	\$5M ⁽²⁾	\$21M	\$73M	\$120M
Equity Value	N/A	\$35M⁽³⁾	\$250M	\$862M	\$1,147M
Closing Date	Closed (July 2014)	Closed (Nov 2014)	Closed (Dec 2014)	Closed (Jan 2015)	

1. For Mt. Signal, ratings based on actual counterparty credit rating.

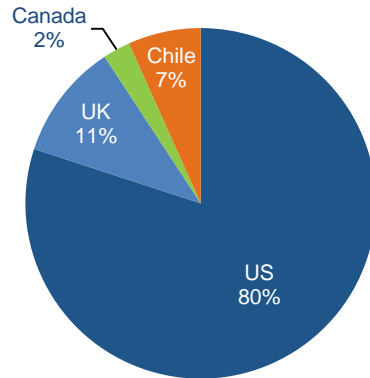
2. Represents levered CAFD.

3. Hudson had \$24.5M in assumed project debt at the time of acquisition close.



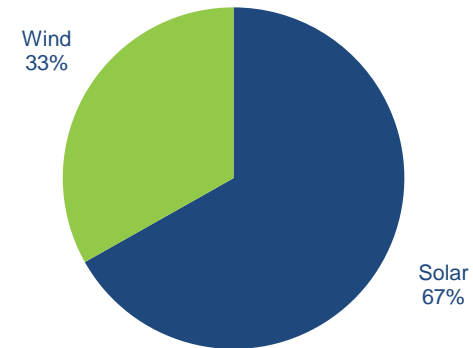
High Quality Operating Portfolio of 1,507 MW

Location



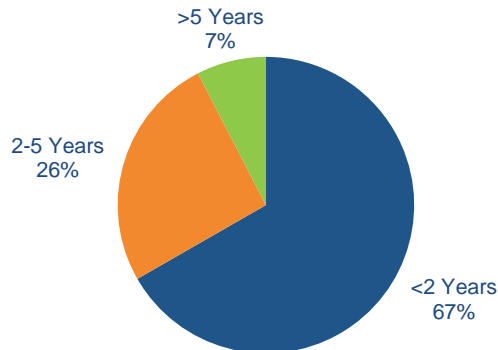
Assets located in attractive power markets

Generation Type



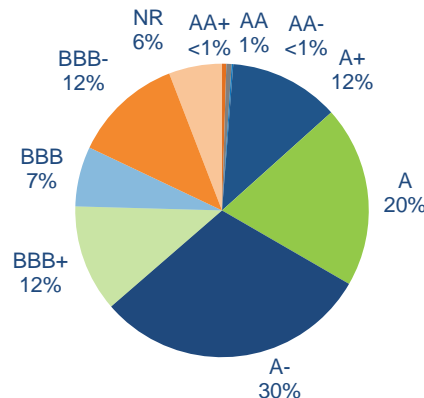
Diversification into wind

Asset Age



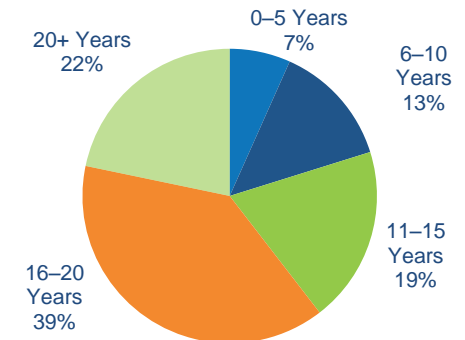
Most projects are <2 years old, with average 30-year expected asset life

S&P Counterparty Rating



High quality average credit rating of A-

Remaining Contract Length



Average remaining PPA life of 16 years

Note: As of January 31, 2015. Weighted by MW.

Committed Drop Down Inventory of 3.3 GW



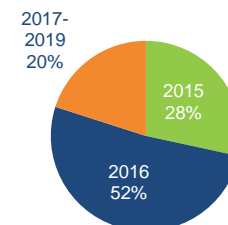
Project	COD	Fuel Type	MW
Ontario 2015 Projects	2015–2016	Solar	16
UK Projects #1-13	2015	Solar	179
Chile Project #1	2015	Solar	42
US DG 2015 Projects	2015	Solar	118
Chile Project #2	2016	Solar	94
US AP North Lake I	2015	Solar	24
US Bluebird	2015	Solar	8
US River Mountains Solar	2015	Solar	18
US Kingfisher	2015	Solar	7
US Western Project #1	2016	Solar	156
US Island Project #1	2016	Solar	65
US Southwest Project #1	2016	Solar	100
US Utah Project #1	2016	Solar	163
US California Project #1	2016	Solar	55
Tenaska Imperial Solar Energy Ctr. West	2016	Solar	73
US California Project #2	2016	Solar	46
US DG 2016 Projects	2016	Solar	55
US California Projects #3-4	2016–2019	Solar	516
			1,734



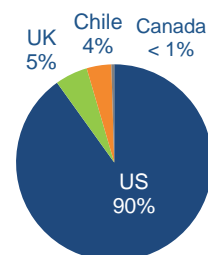
Project	COD	Fuel Type	MW
Mililani Solar I	2015	Solar	26
Seven Sisters	2015	Solar	23
Kawailoa Solar	2016	Solar	65
Waiawa	2016	Solar	61
Mililani Solar II	2016	Solar	20
Four Brothers	2016	Solar	400
South Plains	2015	Wind	200
Oakfield	2015	Wind	148
South Plains II	2015	Wind	150
Bingham	2016	Wind	185
Hancock	2016	Wind	51
Weaver	2017	Wind	74
Rattlesnake	2017	Wind	62
Route 66 II	2017	Wind	100
Bowers	2017	Wind	48
			1,611

Pro Forma Drop Down Inventory : 3.3 GW

MW by Expected COD Year (%)



MW by Country (%)

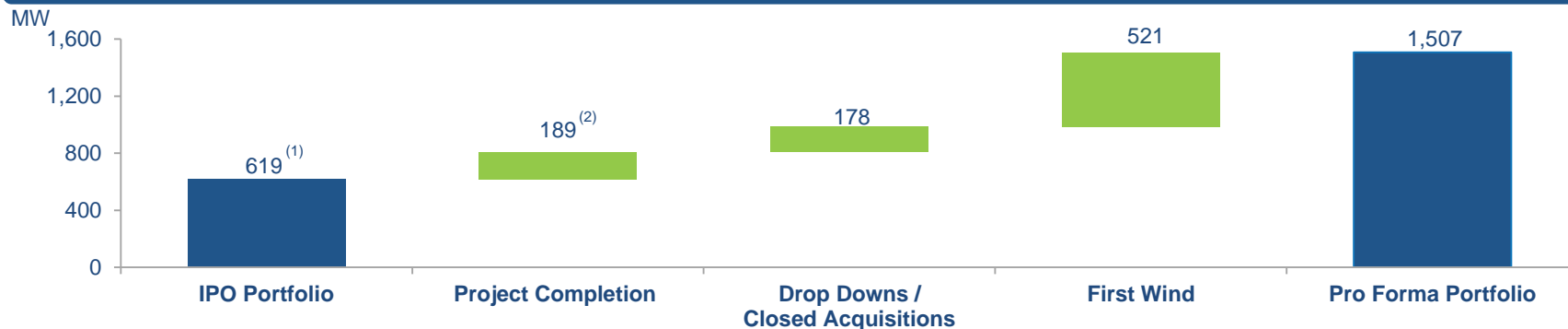


Note: Represents MW-ac for wind assets, MW-dc for solar assets.

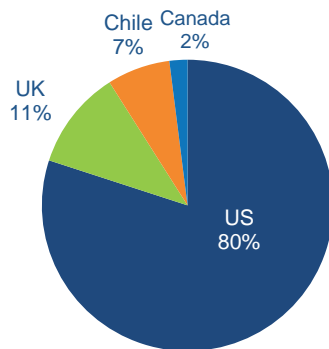


Increased Scale to 1.5 GW...Clear Path to 4.9 GW

Operating MW Growth of 143% Since IPO

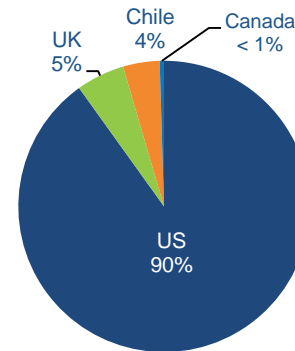


MW by Country – Pro Forma Portfolio



Pro Forma Portfolio MW: 1,507

MW by Country – Call Rights Projects



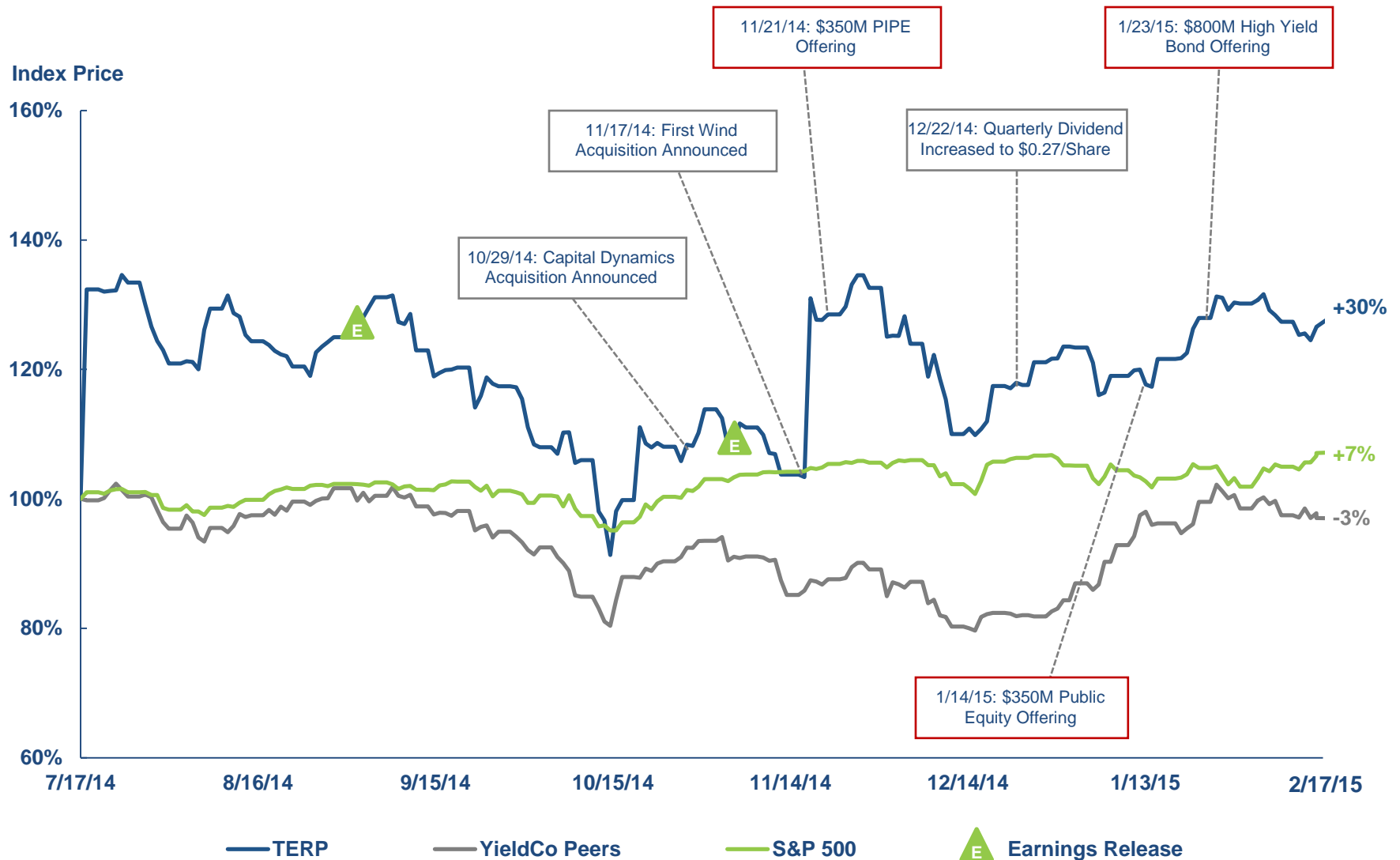
Call Right Projects MW: 3,345

Total MW: 4,852

1. Excludes 189 MW of projects under construction at the time of the IPO.

2. 157 MW completed between IPO and January 20, 2015. 32 MW remain under construction and are expected to achieve COD by 2Q 2015.

TerraForm Outperformance Since IPO





USA: DG 2009-2013 Portfolio of 15 MW

Section 3: Q4 Financial Results

Q4 2014 Results Overview

Metric	Result
MW in Operation ⁽¹⁾ 12/31/2014	930 MW
MWh	266k
Capacity Factor	14.3%
Revenue	\$43M
Adjusted EBITDA	\$34M
CAFD	\$17M

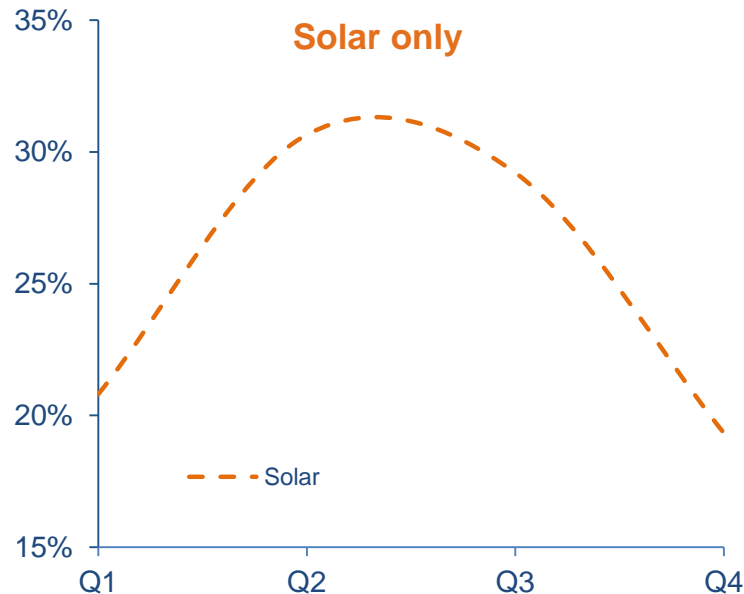
Highlights

- 930 MW in operation at the end of Q4
 - 772 MW of the 808 MW Initial Portfolio
 - 619 MW in operation at IPO
 - 153 MW installed, IPO to 12/31
 - 36 MW under construction on 12/31
 - 157 MW of additions to the fleet
 - 25 MW Hudson Energy
 - 78 MW Capital Dynamics
 - 50 MW UK Fairwinds & Crundale
 - 5 MW of the 26 MW DG Drop Downs
- Solid operational performance
- Revenue, Adjusted EBITDA, and CAFD ahead of plan due to acquisitions

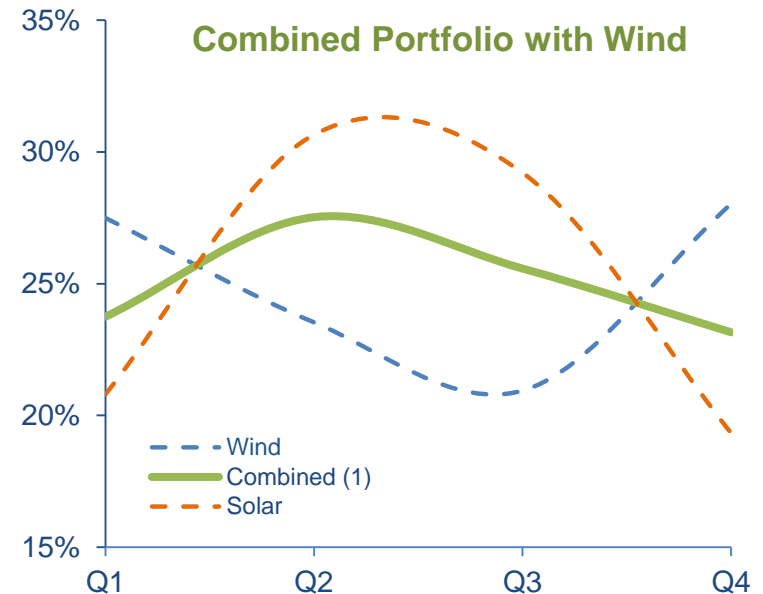
1. For calculation of capacity factor, the average MW in operation during 4Q was 841 MW

Seasonal Generation Characteristics of the TerraForm Fleet

% of Annual MWh Production by Quarter



% of Annual MWh Production by Quarter



- 2014 production consistent with expected solar seasonality
- In 2015, wind production will be counter-seasonal to solar, driving further linearity of the business

1. Seasonality of combined portfolio following First Wind acquisition

Accelerated Execution of 76 MW of Drop Downs in 4Q

Asset Overview

	UK: Crundale & Fairwinds	US DG
Size	50 MW	26 MW
Off-taker credit rating	A-	Various
CAFD (unlevered)	\$8M	\$5M
CAFD (levered @ 3x)	~\$6.5M	~\$4M
Equity	\$72M	\$32M
Holdco Debt	\$24M	\$15M
Total Consideration	\$96M	\$47M
Cash-on-Cash Return (levered)	~9%	~13%



US DG Drop Down Portfolio
(0.7 MW Project in Texas)

Financing Activity Summary

(\$M unless otherwise noted)

Sources of Funds

HY Notes Offering (Jan 28)	✓	\$800
PIPE Offering (Nov 26)	✓	350
Public Equity Offering (Jan 22)	✓	352

Total Funded Sources	\$1,502
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Undrawn Revolver	\$550
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Uses of Funds

First Wind Consideration and Acquired Cash	\$862
Refinance Term Loan	574
Fees, Expenses and Other	66

Total Funded Uses	\$1,502
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Letter of Credit Postings	\$75
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Current Capitalization⁽²⁾

(\$M)

Cash (excluding restricted cash) ⁽¹⁾	\$148
Total available liquidity ⁽²⁾	\$640

Long-term debt (including current portion):

Revolver	-
Term Loan	-
Non-recourse project-level debt ⁽³⁾	\$884
Senior Notes	\$800

Total long-term debt (including current portion)	\$1,684
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Market Capitalization (\$M) ⁽⁴⁾	\$4,054
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Total Capitalization (\$M)	\$5,738
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Holdco Net Debt / 2015 Run-Rate CFADS ⁽⁵⁾	~3x
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Total Net Debt / 2015 Run-Rate Adj EBITDA ⁽⁴⁾	~5x
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1. Excludes restricted cash of \$72M

2. Total available liquidity includes \$550M of undrawn revolver less \$58M of letter of credit requirements.

3. Capitalization and project debt as of 1/31/2015.

4. Market capitalization as of 01/30/2015 close.

5. Net debt figures calculated using \$148M of Holdco cash on hand.

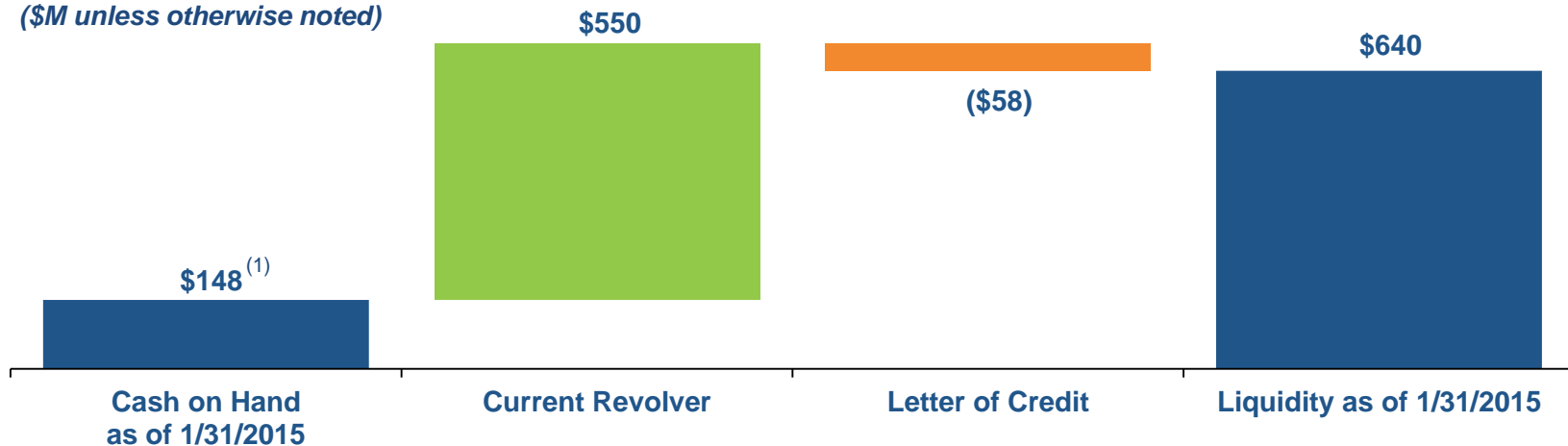
Strong Liquidity Position Supports Future Growth

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

(\$M unless otherwise noted)



- Significant flexibility to utilize cash and revolver capacity as funding sources
- Liquidity financing commitments received:
 - Revolver increased to \$550M from \$215M, concurrent with First Wind closing
 - Revolver was undrawn as of the end of January 2015

1. Excludes \$72M of restricted cash

Growth Supported by Committed Drop Down Warehouse Facility



FIRST RESERVE
CORPORATION
\$500M Equity

\$450 Term Loan⁽¹⁾
\$550 Revolver⁽¹⁾

\$1.5B



Strong development engine, with 6.2 GW of pipeline and backlog

Warehouse Facility

- Ring-fenced entity, which will acquire and build high quality projects
- Identified fleet of projects from First Wind pipeline, as well as additional projects developed by SunEdison
- Provides construction financing

Attractive cost of capital with access to capital markets for long-term funding

Development

Construction

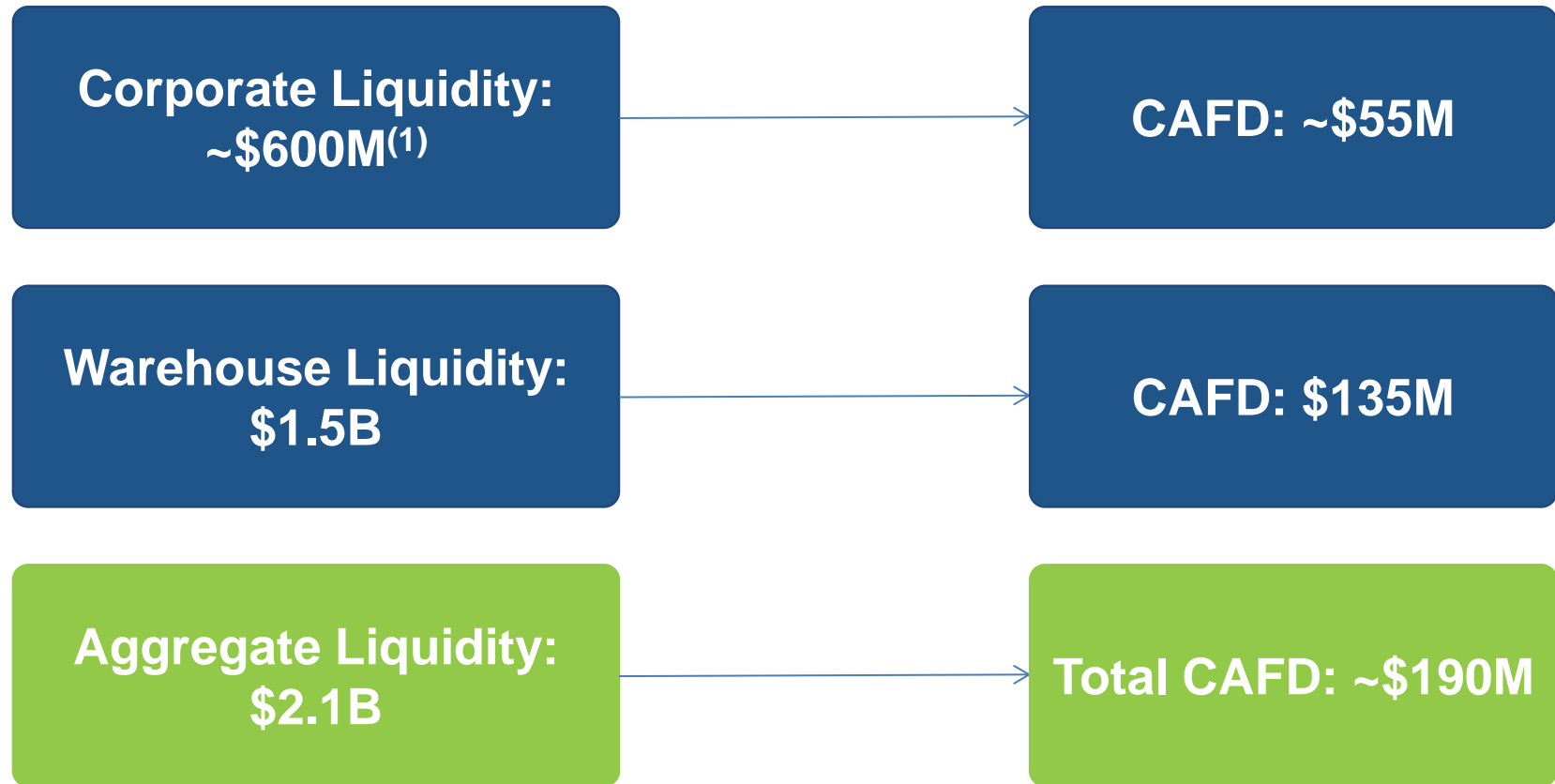
Operating

Warehouse facility serves as an additional source of long-term capital beyond traditional capital markets

(1) Debt commitments for the warehouse facility are subject to definitive documentation and customary closing conditions



Liquidity to Support Growth



Our current liquidity position provides substantial capabilities to grow CAFD

Note: assumes assets acquired at a 9% cash yield.
1. As of January 31, 2015



USA: Stetson Wind I 57 MW

Section 4: 2015 Guidance and Outlook

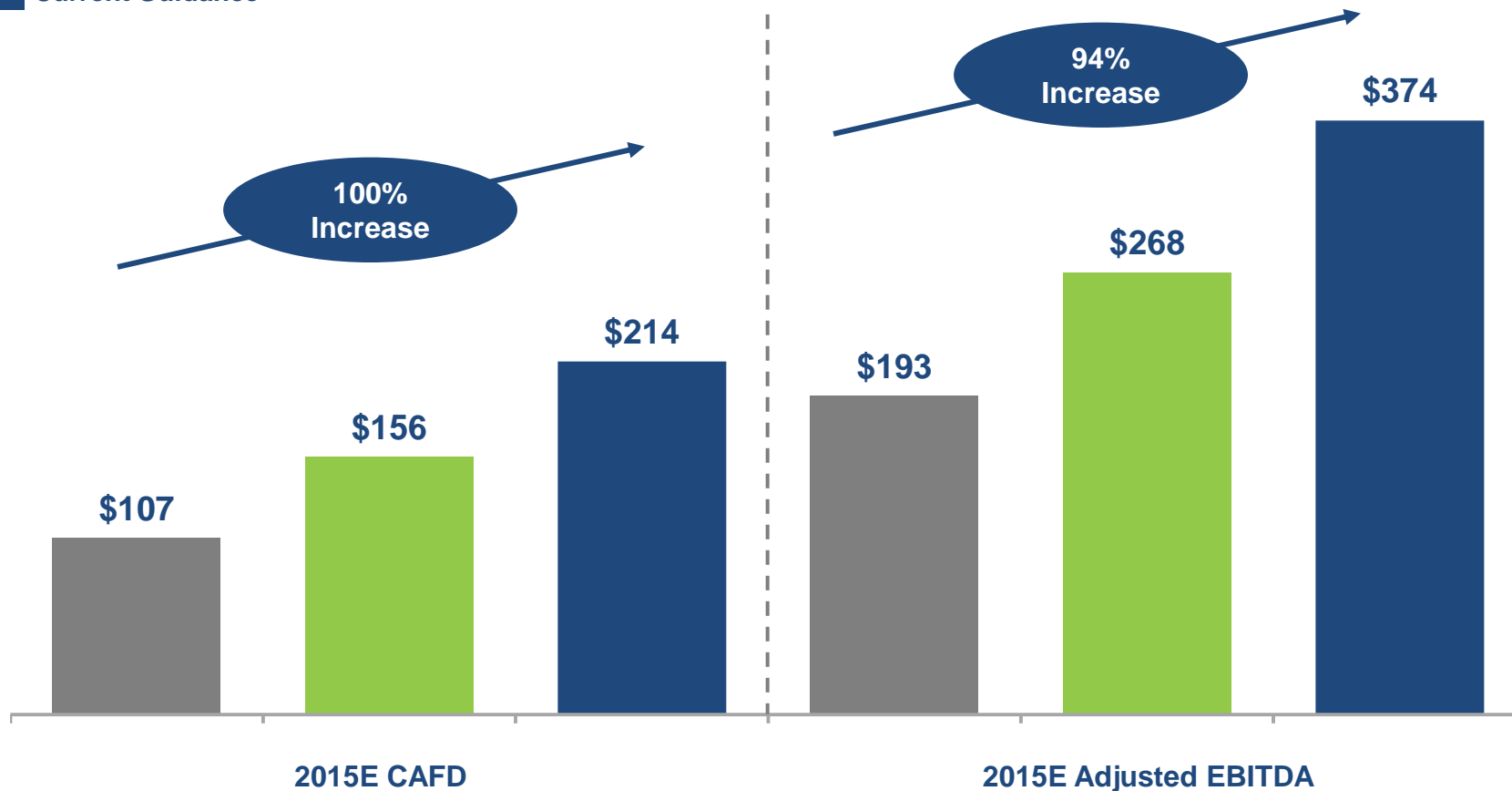
Significant Increase in CAFD and EBITDA Guidance

(\$M unless otherwise noted)

■ Initial Portfolio @ IPO (July 18, 2014)

■ Previous Guidance (November 5, 2014)

■ Current Guidance



TerraForm 2015 Revised Annual DPS Guidance



1. Represents 85% payout ratio on ~\$180M of run-rate CAFD (as of Jan 31, 2015) and 125M shares

Best-in-Class Dividend Target Growth Profile



✓ Execution → ✓ CAFD Growth → ✓ DPS Growth

Note: Dividend per share numbers include the impact of First Wind acquisition.



Chile: CAP 101 MW

Appendix: Reg. G Reconciliation

TERP Reg. G: 2015 Reconciliation of Net Income to Adjusted EBITDA

(In thousands)	Year Ending 2015
	Revised
Operating Revenues ⁽¹⁾	\$ 483,700
Operating Costs and Expenses:	
Costs of operations	100,100
Depreciation, amortization and accretion	174,200
General and administration ⁽²⁾	<u>20,000</u>
Total operating costs and expenses	<u>294,300</u>
Operating income	189,400
Interest expense, net	<u>120,900</u>
Income before income tax expense	68,500
Income tax expense	<u>26,700</u>
Net income	<u>\$ 41,800</u>
Add:	
Depreciation, amortization and accretion	174,200
Interest expense, net	120,900
Income tax expense	26,700
Stock base compensation	<u>10,500</u>
Adjusted EBITDA ⁽³⁾	<u>\$ 374,100</u>

1) Excludes non-cash amortization of power purchase agreement ("PPA") intangibles and recognition of non-operating deferred revenue.

2) 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.

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: 2015 Reconciliation of Net Income to CAFD

	Year Ending 2015
	<u>Revised</u>
Adjustments to reconcile net income to net cash provided by operating activities	
Net income	\$ 41,800
Depreciation, amortization and accretion	174,200
Non-cash items	42,400
Changes in assets and liabilities	(4,500)
Other	<u>(400)</u>
Net cash provided by operating activities	<u>\$ 253,500</u>

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

Net cash provided by operating activities	\$ 253,500
Changes in assets and liabilities	4,500
Deposits into/withdraws from restricted cash accounts	9,500
Cash distributions to non-controlling interests	(27,500)
Scheduled project-level and other debt service and repayments	(31,600)
Non-expansionary capital expenditures	(13,000)
Contributions received pursuant to the Interest Payment Agreement with SunEdison ⁽¹⁾	15,600
Other	<u>3,000</u>
Estimated cash available for distribution	<u>\$ 214,000</u>

1) Represents contributions received from SunEdison pursuant to the Interest Payment Agreement, which will expire with the scheduled interest payment on the Senior Notes on August 1, 2017.



TerraForm **POWER**
a SunEdison company