TerraForm Power, Inc. Reconciliation of Non-GAAP Measures for the Three Months Ended June 30, 2020 and 2019

	Three Months Ended June 30, 2020					Three Months Ended June 30, 2019				
(MILLIONS, EXCEPT AS NOTED)	Wind	Solar	Regulated Solar and Wind	Corporate	Total	Wind	Solar	Regulated Solar and Wind	Corporate	Total
Net income (loss) attributable to Class A common stockholders	**7**	**21**	**10**	**(38)**	**-**	**(7)**	**18**	**28**	**(43)**	**(4)**
Net loss attributable to redeemable and non-redeemable non-controlling interests	(12)	(1)	-	-	(13)	(15)	2	-	-	(13)
Net income (loss)	**(5)**	**20**	**10**	**(38)**	**(13)**	**$ (22)**	**$ 20**	**$ 28**	**$ (43)**	**$ (17)**
Depreciation, accretion and amortization expense (a)	53	38	47	-	138	58	30	30	-	118
Interest expense, net	14	21	23	27	85	13	17	11	30	71
Non-operating general and administrative expenses (b)	-	1	-	5	6	1	1	-	6	8
Stock-based compensation expense	-	-	-	1	1	-	-	-	-	-
Income tax expense (benefit)	(1)	(1)	1	(10)	(11)	-	1	5	-	6
Regulated Solar and Wind price band adjustment (c)	-	-	(8)	-	(8)	-	-	3	-	3
Management Fee (d)	-	-	-	10	10	-	-	-	6	6
Other non-cash or non-operating items (e)	4	6	-	(2)	8	6	1	-	(6)	1
Adjusted EBITDA	**65**	**85**	**73**	**(7)**	**216**	**$ 56**	**$ 70**	**$ 77**	**$ (7)**	**$ 196**

	Three Months Ended June 30, 2020					Three Months Ended June 30, 2019				
(MILLIONS, EXCEPT AS NOTED)	Wind	Solar	Regulated Solar and Wind	Corporate	Total	Wind	Solar	Regulated Solar and Wind	Corporate	Total
Operating revenues, net	**70**	**99**	**108**	**-**	**277**	**$ 76**	**$ 83**	**$ 96**	**$ -**	**$ 255**
Unrealized loss (gain) on commodity contract derivatives, net (f)	4	-	-	-	4	(2)	-	-	-	(2)
Amortization of favorable and unfavorable rate revenue contracts, net (g)	8	2	-	-	10	8	2	-	-	10
Regulated Solar and Wind price band adjustment (c)	-	-	(8)	-	(8)	-	-	3	-	3
Other items (h)	-	-	(1)	-	(1)	1	(2)	-	-	(1)
Adjusted Revenue	**82**	**101**	**99**	**-**	**282**	**$ 83**	**$ 83**	**$ 99**	**$ -**	**$ 265**
Direct operating costs	(17)	(16)	(26)	(9)	(68)	(27)	(13)	(22)	(8)	(70)
Settled FX gain	-	-	-	2	2	-	-	-	1	1
Adjusted EBITDA	**65**	**85**	**73**	**(7)**	**216**	**$ 56**	**$ 70**	**$ 77**	**$ (7)**	**$ 196**

TerraForm Power, Inc. Reconciliation of Non-GAAP Measures for the Six Months Ended June 30, 2020 and 2019

	Six Months Ended June 30, 2020					Six Months Ended June 30, 2019				
(MILLIONS, EXCEPT AS NOTED)	Wind	Solar	Regulated Solar and Wind	Corporate	Total	Wind	Solar	Regulated Solar and Wind	Corporate	Total
Net income (loss) attributable to Class A common stockholders	**14**	**33**	**13**	**(115)**	**(55)**	**10**	**46**	**23**	**(91)**	**(12)**
Net loss attributable to redeemable and non-redeemable non-controlling interests	(20)	(6)	-	-	(26)	(29)	(12)	-	-	(41)
Net income (loss)	**(6)**	**27**	**13**	**(115)**	**(81)**	**$ (19)**	**$ 34**	**$ 23**	**$ (91)**	**$ (53)**
Depreciation, accretion and amortization expense (a)	102	77	91	1	271	110	58	68	1	237
Interest expense, net	29	43	37	54	163	29	29	38	61	157
Non-operating general and administrative expenses (b)	2	1	-	16	19	1	3	-	16	20
Stock-based compensation expense	-	-	-	1	1	-	-	-	-	-
Loss (gain) on extinguishment of debt	4	-	-	-	4	-	(6)	-	-	(6)
Acquisition-related costs, including affiliate	-	-	(1)	2	1	-	-	-	-	-
Income tax expense (benefit)	-	(1)	2	13	14	-	(2)	3	-	1
Regulated Solar and Wind price band adjustment (c)	-	-	(16)	-	(16)	-	-	8	-	8
Management Fee (d)	-	-	-	19	19	-	-	-	11	11
Other non-cash or non-operating items (e)	1	4	1	(5)	1	10	3	(2)	(13)	(2)
Adjusted EBITDA	**132**	**151**	**127**	**(14)**	**396**	**$ 131**	**$ 119**	**$ 138**	**$ (15)**	**$ 373**

	Six Months Ended June 30, 2020					Six Months Ended June 30, 2019				
(MILLIONS, EXCEPT AS NOTED)	Wind	Solar	Regulated Solar and Wind	Corporate	Total	Wind	Solar	Regulated Solar and Wind	Corporate	Total
Operating revenues, net	**146**	**178**	**200**	**-**	**524**	**$ 170**	**$ 140**	**$ 171**	**$ -**	**$ 481**
Unrealized loss (gain) on commodity contract derivatives, net (f)	5	-	-	-	5	(3)	-	-	-	(3)
Amortization of favorable and unfavorable rate revenue contracts, net (g)	16	4	-	-	20	16	3	-	-	19
Regulated Solar and Wind price band adjustment (c)	-	-	(16)	-	(16)	-	-	8	-	8
Other items (h)	-	-	(1)	-	(1)	-	1	1	-	2
Adjusted Revenue	**167**	**182**	**183**	**-**	**532**	**$ 183**	**$ 144**	**$ 180**	**$ -**	**$ 507**
Direct operating costs	(35)	(31)	(56)	(17)	(139)	(52)	(25)	(42)	(18)	(137)
Settled FX gain	-	-	-	3	3	-	-	-	3	3
Adjusted EBITDA	**132**	**151**	**127**	**(14)**	**396**	**$ 131**	**$ 119**	**$ 138**	**$ (15)**	**$ 373**

TerraForm Power, Inc. Footnotes for Reconciliation of Non-GAAP Measures

a) Includes reductions/(increases) within operating revenues due to net amortization of favorable and unfavorable rate revenue contracts as detailed in the reconciliation of Adjusted Revenue, and losses on disposal of property, plant and equipment.

b) Includes non-operating items and other items incurred directly by TerraForm Power that we do not consider indicative of our core business operations are treated as an addback in the reconciliation of net loss to Adjusted EBITDA. These items include, but are not limited to, extraordinary costs and expenses related primarily to IT system arrangements, relocation of the headquarters to New York, and legal, third party diligence, contractor fees and advisory fees associated with acquisitions, dispositions, financings, and other non-recurring activities.

c) Represents the Regulated Solar and Wind segment's Price Band Adjustment to Return on Investment Revenue as dictated by market conditions. To the extent that the wholesale market price is greater or less than a price band centered around the market price forecasted by the Spanish regulator during the preceding three years, the difference in revenues assuming average generation accumulates in a tracking account. The Return on Investment is either increased or decreased in order to amortize the balance of the tracking account over the remaining regulatory life of the assets.

d) Represents management fee that is not included in Direct operating costs.

e) Represents other non-cash or non-operating items as detailed in the reconciliation of Adjusted Revenue and associated footnote and certain other items that we believe are not representative of our core business or future operating performance, including but not limited to: loss/(gain) on foreign exchange ("FX"), unrealized loss on commodity contracts, and one-time blade repairs related to the preparation for GE transition.

f) Represents unrealized (gain)/loss on commodity contracts associated with energy derivative contracts that are accounted for at fair value with the changes recorded in operating revenues, net. The amounts added back represent changes in the value of the energy derivative related to future operating periods, and are expected to have little or no net economic impact since the change in value is expected to be largely offset by changes in value of the underlying energy sale in the spot or day-ahead market.

g) Represents net amortization of purchase accounting related to intangibles arising from past business combinations related to favorable and unfavorable rate revenue contracts.

h) Primarily represents insurance compensation for revenue losses, transmission capacity revenue, and adjustments for solar renewable energy certificate ("SREC") recognition and other income due to timing.

TerraForm Power, Inc. Non-GAAP Reconciliation

This Reconciliation Information contains references to Adjusted Revenue and Adjusted EBITDA, which are Non-GAAP measures that should not be viewed as alternatives to GAAP measures of performance, including revenue, net income (loss), operating income or net cash provided by operating activities. Our definitions and calculation of these Non-GAAP measures may differ from definitions of Adjusted Revenue and Adjusted EBITDA or other similarly titled measures used by other companies. We believe that Adjusted Revenue and Adjusted EBITDA are useful measures that may assist investors in assessing the financial performance of the Company. None of these Non-GAAP measures should be considered as the sole measure of our performance, nor should they be considered in isolation from, or as a substitute for, analysis of our financial statements prepared in accordance with GAAP, which are available on our website at www.terraform.com, as well as at www.sec.gov.

Calculation of Non-GAAP Measures

We define Adjusted Revenue as operating revenues, net, adjusted for non-cash items, including (i) unrealized gain/loss on derivatives, net (ii) amortization of favorable and unfavorable rate revenue contracts, net, (iii) an adjustment for wholesale market revenues to the extent above or below the regulated price bands, and (iv) other items that we believe are representative of our core business or future operating performance

We define Adjusted EBITDA as net income (loss) plus (i) depreciation, accretion and amortization, (ii) interest expense, (iii) non-operating general and administrative costs, (iv) acquisition and related costs, (v) income tax (benefit) expense, (vi) management fees to Brookfield, and (vii) certain other non-cash charges, unusual or non-recurring items and other items that we believe are not representative of our core business or future operating performance

Use of Non-GAAP Measures

We disclose Adjusted Revenue because it presents the component of operating revenue that relates to energy production from our plants, and is, therefore, useful to investors and other stakeholders in evaluating performance of our renewable energy assets and comparing that performance across periods in each case without regard to non-cash revenue items

We disclose Adjusted EBITDA because we believe it is useful to investors and other stakeholders as a measure of our financial and operating performance and debt service capabilities. We believe Adjusted EBITDA provides an additional tool to investors and securities analysts to compare our performance across periods without regard to interest expense, taxes and depreciation and amortization. Adjusted EBITDA has certain limitations, including that it: (i) does not reflect cash expenditures or future requirements for capital expenditures or contractual liabilities or future working capital needs, (ii) does not reflect the significant interest expenses that we expect to incur or any income tax payments that we may incur, and (iii) does not reflect depreciation and amortization and, although these charges are non-cash, the assets to which they relate may need to be replaced in the future, and (iv) does not take into account any cash expenditures required to replace those assets. Adjusted EBITDA also includes adjustments for impairment charges, gains and losses on derivatives and foreign currency swaps, acquisition related costs and items we believe are infrequent, unusual or non-recurring, including adjustments for general and administrative expenses we have incurred as a result of the SunEdison bankruptcy

The adjustments made to Adjusted EBITDA for infrequent, unusual or non-recurring items and items that we do not believe are representative of our core business involve the application of management's judgment, and the presentation of Adjusted EBITDA should not be construed to infer that our future results will be unaffected by infrequent, non-operating, unusual or non-recurring items

In addition, these measures are used by our management for internal planning purposes, including for certain aspects of our consolidated operating budget, as well as evaluating the attractiveness of investments and acquisitions. We believe these Non-GAAP measures are useful as a planning tool because they allow our management to compare performance across periods on a consistent basis in order to more easily view and evaluate operating and performance trends and as a means of forecasting operating and financial performance and comparing actual performance to forecasted expectations. For these reasons, we also believe these Non-GAAP measures are also useful for communicating with investors and other stakeholders