

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): January 11, 2020



TerraForm Power, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

001-36542
(Commission File Number)

46-4780940
(I. R. S. Employer Identification No.)

200 Liberty Street, 14th Floor, New York, New York 10281
(Address of principal executive offices, including zip code)

646-992-2400
(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 provisions:

- 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, Class A, par value \$0.01	TERP	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01. Other Events.Other Events.

On January 13, 2020, TerraForm Power, Inc. (“TerraForm Power” or the “Company”) issued a press release announcing that on January 11, 2020, it received an unsolicited and non-binding proposal from Brookfield Renewable Partners L.P. (TSX: BEP.UN; NYSE: BEP) (“Brookfield Renewable”) to acquire all of the outstanding shares of Class A common stock of TerraForm Power, other than the approximately 62% of TerraForm Power’s shares currently held by Brookfield Renewable and its affiliates. The proposal states that each share of Class A common stock of TerraForm Power would be acquired for consideration of 0.36 of a Class A share of Brookfield Renewable Corporation, a Canadian subsidiary of Brookfield Renewable. The Company also announced that the Company’s Board of Directors formed a Special Committee of non-executive, independent directors to review the Brookfield Renewable proposal. A copy of the letter and the press release are attached as Exhibit 99.1 and 99.2, respectively, and are incorporated herein by reference.

The information in this Current Report on Form 8-K shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities thereof, and shall not be incorporated by reference into any filing or other document under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such filing or document.

Cautionary Note Regarding Forward-Looking Statements.

This Current Report on Form 8-K contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. These statements involve estimates, expectations, projections, goals, assumptions, known and unknown risks, and uncertainties and typically include words or variations of words such as “expect,” “believe,” “target,” “plan,” “growth,” “would,” “intend,” “will,” “should,” “could,” or “may” or other comparable terms and phrases. All statements that address returns on equity, events, or developments that TerraForm Power expects or anticipates will occur in the future are forward-looking statements. Forward-looking statements provide TerraForm Power’s current expectations and speak only as of the date they are made. Although TerraForm Power believes 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. Forward-looking statements in this Current Report on Form 8-K include statements regarding the proposed transaction and any other statements regarding TerraForm Power’s future expectations, beliefs, plans, objectives, financial conditions, assumptions or future events or performance. Although TerraForm Power believes that these forward-looking statements and information are based upon reasonable assumptions and expectations, you should not place undue reliance on them, or any other forward-looking statements or information in this Current Report on Form 8-K. The future performance and prospects of TerraForm Power are subject to a number of known and unknown risks and uncertainties. Factors that could cause actual results of TerraForm Power to differ materially from those contemplated or implied by the statements in this communication include uncertainties as to whether an agreement of the proposed transaction will be negotiated and executed; negative effects from the pendency of the proposed transaction; uncertainties as to whether TerraForm Power will cooperate with Brookfield Renewable regarding the proposed transaction; uncertainties as to whether the Special Committee will approve any transaction proposed by Brookfield Renewable; uncertainties as to whether TerraForm Power’s stockholders not affiliated with Brookfield Renewable will approve any transaction; uncertainties as to whether the other conditions to the proposed transaction will be satisfied or satisfied on the anticipated schedule; the timing of the proposed transaction and whether the proposed transaction will be completed; failure to realize contemplated benefits from the proposed transaction; and incurrence of significant costs in connection with the proposed transactions. TerraForm Power disclaims any obligation to publicly update or revise any forward-looking statement to reflect new information or other changes, except as required by law. The foregoing list of factors that might cause results to differ materially from those contemplated in the forward-looking statements should be considered in connection with information regarding risks and uncertainties which are described in TerraForm Power’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and in subsequent Quarterly Reports on Form 10-Q.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits

Exhibit

No.	Description
99.1	Letter dated January 11, 2020
99.2	Press release dated January 13, 2020

SIGNATURE

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

TERRAFORM POWER, INC.

Date: January 13, 2020

By: /s/ William Fyfe
Name: William Fyfe
Title: General Counsel

Brookfield

Brookfield Renewable
Brookfield Renewable Partners LP,
Brookfield Place, 181 Bay Street, Suite 300
Toronto, Ontario M5J 2T3

Tel 416.363.9491
Fax 416.365.9542
<https://bep.brookfield.com>

January 11, 2020

Board of Directors
TerraForm Power, Inc.
200 Liberty Street
14th Floor
New York, NY 10281

Ladies and Gentlemen:

Brookfield Renewable Partners L.P. ("BEP") is pleased to make this proposal to acquire all of the outstanding shares of Class A common stock of TerraForm Power, Inc. ("TERP" or the "Company"), other than those shares currently held by BEP and its affiliates¹ (the "Proposal"), The proposal is being made at a BEP-to-TERP exchange ratio of 0.36 times, which values TERP at \$17.31 per share, representing a premium of 11% to the unaffected closing price of the Company's Class A common stock on January 10, 2020.

The proposed merger will be beneficial to TERP shareholders, including for the following reasons:

Strong Premium - The Proposal's 11% premium is meaningful, particularly in light of TERP being fully valued in the public markets (up approximately 65% since the inception of Brookfield sponsorship in 2017).

Access to Broader Growth Mandate - TERP shareholders will benefit from BEP's broader growth mandate, including a global development pipeline of 13,000 MW and greater technological and geographic diversification, including approximately 8,000 MW of perpetual hydro assets.

Enhanced Liquidity & Balance Sheet - TERP shareholders will benefit from access to greater liquidity and an investment grade balance sheet. The combined company is expected to have approximately \$3 billion of available liquidity to pursue further growth.

Global Leader in Renewables - TERP shareholders will be able to participate in the ongoing growth of one of the largest public pure-play renewable platforms in the world in BEP, with an ownership interest in approximately 19,000 MW of premier renewable assets globally and annual funds from operations of over \$1 billion.

¹ BEP and its affiliates currently hold approximately 62% of the TERP Class A common shares.

Demonstrable Synergies - Opportunity to eliminate public company costs and duplicative financing costs will enhance the combined business moving forward.

Continued Sponsorship by Brookfield -TERP shareholders will retain the same sponsorship benefits of Brookfield Asset Management via BEP as they currently receive. Brookfield is a leading global alternative asset manager with over \$500 billion of assets under management.

Track Record of Success - BEP has a 20-year public track record in the renewable power sector, delivering approximately 18% annualized returns to unitholders since inception with consistent, stable distribution growth.

Form of Consideration - TERP shareholders will receive Class A shares ("BEPC Shares") of Brookfield Renewable Corporation ("BEPC") in the merger, on a tax-deferred basis. BEPC, a Canadian subsidiary of BEP, will be a publicly traded corporation, listed on the Toronto and New York Stock Exchanges. BEPC Shares will be structured to be economically equivalent to BEP units. For example, BEPC dividends will be declared and paid at the same time as distributions are made on the units of BEP, and BEPC dividends will be equal to BEP distributions on a per share basis. Furthermore, BEPC Shares will be fully exchangeable, on a one-for-one basis, into units of BEP, at the option of the holder. The purpose of BEPC is to allow holders to own a share of a corporation, as opposed to a limited partnership unit, to the extent they choose to do so. The exchange ratio will be adjusted on a proportional basis to reflect the previously announced special distribution of BEPC Shares to BEP unitholders.

We have deep familiarity with TERP and are prepared to move quickly, with no need to do due diligence on the Company. We request that TERP's Board of Directors promptly form a committee consisting solely of independent directors with full authority to evaluate and respond to the Proposal. We expect the independent committee to engage financial and legal advisors to evaluate our Proposal. We are confident that, if the independent committee directs the Company and its advisors to move forward with our Proposal, we could work together to quickly finalize a transaction. Closing of any transaction will be subject to customary approvals, including the approval of the independent committee and the approval of a majority of TERP's shareholders not affiliated with BEP. We will not pursue this Proposal without the approval of the independent committee and further expect that the definitive merger agreement will include a non-waivable condition requiring the approval of a majority of TERP's shareholders not affiliated with BEP.

In considering this Proposal, you should know that, in BEP's capacity as a shareholder of the Company, BEP is interested only in acquiring the shares of TERP Class A common stock not already owned by BEP and its affiliates, and that in such capacity, BEP has no interest in selling any of the shares of TERP Class A common stock it owns, nor would BEP support any alternative sale, merger or similar transaction involving the Company.

We are required to publicly disclose this Proposal promptly in an amendment to our current Schedule 13D, which we expect to do before market opens on Monday, January 13, 2020.

This Proposal is non-binding and does not impose any legal obligation on any person. Brookfield, BEP, their respective affiliates (including TERP) will be bound only in accordance with the terms and conditions contained in executed definitive agreements, if any. This letter shall be governed by and construed in accordance with the laws of the State of New York.

We are excited about the combination of BEP and TERP. We believe that this transaction is compelling to, and in the best interests of, shareholders of TERP and unitholders of BEP. If you have any questions regarding this Proposal, please feel free to contact Sachin Shah, Chief Executive Officer of BEP. We look forward to hearing from you soon.

Sincerely,

BROOKFIELD RENEWABLE PARTNERS L.P.

By its Service Provider:

BRP ENERGY GROUP L.P.

/s/ Sachin Shah

Sachin Shah
Chief Executive Officer



Terraform Power Confirms Receipt of Unsolicited Proposal from Brookfield Renewable and Announces Formation of Special Committee

New York, NY, January 13, 2020 – TerraForm Power, Inc. (Nasdaq: TERP) (“TerraForm Power”) today confirmed that on January 11, 2020, its Board of Directors (the “Board”) received an unsolicited, non-binding proposal (the “Proposal”) from Brookfield Renewable Partners L.P. (TSX: BEP.UN; NYSE: BEP) (“Brookfield Renewable”) to acquire all of the outstanding shares of Class A common stock of TerraForm Power, other than the approximately 62% of TerraForm Power’s shares currently held by Brookfield Renewable and its affiliates (the “proposed transaction”). Pursuant to the Proposal, each share of Class A common stock of TerraForm Power would be acquired for consideration of 0.36 of a Class A share of Brookfield Renewable Corporation (“BEPC”). The Proposal states that BEPC is a Canadian subsidiary of Brookfield Renewable and will be a publicly traded corporation. The Proposal further states that BEPC’s Class A shares will be structured to be economically equivalent to Brookfield Renewable units and will be fully exchangeable, on a one-for-one basis, into units of Brookfield Renewable.

The Board has formed a special committee (the “Special Committee”) of non-executive, independent directors and the Special Committee is currently in the process of engaging financial and legal advisors to assist in its review of the Proposal. The Special Committee, in consultation with its advisors, will carefully review and consider the Proposal and pursue the course of action that it believes is in the best interests of TerraForm Power’s stockholders. TerraForm Power’s stockholders do not need to take any action at this time.

There can be no assurance that a definitive proposal relating to the proposed transaction will be made, that any such proposal will be recommended or accepted by the Special Committee, that a definitive agreement relating to the proposed transaction or any other transaction will be entered into by TerraForm Power, or that any transaction will be consummated.

TerraForm Power

TerraForm Power owns and operates a best-in-class renewable power portfolio of solar and wind assets located primarily in the U.S. and E.U., totaling more than 4,000 MW of installed capacity. TerraForm Power’s goal is to acquire operating solar and wind assets in North America and Western Europe. TerraForm Power is listed on the Nasdaq Stock Market (Nasdaq: TERP). It is sponsored by Brookfield Asset Management, a leading global alternative asset manager with more than \$500 billion of assets under management.

For more information about TerraForm Power, please visit: www.terraformpower.com.

Contact for Investors / Media:

Sherif El-Azzazi
TerraForm Power
investors@terraform.com

Forward-Looking Statements

This communication contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. These statements involve estimates, expectations, projections, goals, assumptions, known and unknown risks, and uncertainties and typically include words or variations of words such as “expect,” “believe,” “target,” “plan,” “growth,” “would,” “intend,” “will,” “should,” “could,” or “may” or other comparable terms and phrases. All statements that address returns on equity, events, or developments that TerraForm Power expects or anticipates will occur in the future are forward-looking statements. Forward-looking statements provide TerraForm Power’s current expectations and speak only as of the date they are made. Although TerraForm Power believes 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. Forward-looking statements in this communication include statements regarding the proposed transaction and any other statements regarding TerraForm Power’s future expectations, beliefs, plans, objectives, financial conditions, assumptions or future events or performance. Although TerraForm Power believes that these forward-looking statements and information are based upon reasonable assumptions and expectations, you should not place undue reliance on them, or any other forward-looking statements or information in this communication. The future performance and prospects of TerraForm Power are subject to a number of known and unknown risks and uncertainties. Factors that could cause actual results of TerraForm Power to differ materially from those contemplated or implied by the statements in this communication include uncertainties as to whether an agreement of the proposed transaction will be negotiated and executed; negative effects from the pendency of the proposed transaction; uncertainties as to whether TerraForm Power will cooperate with Brookfield Renewable regarding the proposed transaction; uncertainties as to whether the Special Committee will approve any transaction proposed by Brookfield Renewable; uncertainties as to whether TerraForm Power’s stockholders not affiliated with Brookfield Renewable will approve any transaction; uncertainties as to whether the other conditions to the proposed transaction will be satisfied or satisfied on the anticipated schedule; the timing of the proposed transaction and whether the proposed transaction will be completed; failure to realize contemplated benefits from the proposed transaction; and incurrence of significant costs in connection with the proposed transactions. TerraForm Power disclaims any obligation to publicly update or revise any forward-looking statement to reflect new information or other changes, except as required by law. The foregoing list of factors that might cause results to differ materially from those contemplated in the forward-looking statements should be considered in connection with information regarding risks and uncertainties which are described in TerraForm Power’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and in subsequent Quarterly Reports on Form 10-Q.
