



# Acquisition Announcement Invenergy 930 MW Wind Portfolio

July 6, 2015



# Safe Harbor

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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” and, together with SunEdison, the “Companies”) with the Securities and Exchange Commission (SEC), including SunEdison Inc.’s most recent report on Form 10-K, TerraForm Power, Inc.’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

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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, 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’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, including the Invenergy 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; 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

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**Transaction Strategic Rationale – Carlos Domenech, CEO of TerraForm Power**

**TerraForm Power Financial Impact – Alex Hernandez, CFO of TerraForm Power**

**SunEdison Financial Impact – Brian Wuebbels, CFO of SunEdison**

**Concluding Remarks & Q&A**



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# Transaction Strategic Rationale

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Carlos Domenech, CEO of TerraForm Power



# \$2B Acquisition of 930 MW of Invenergy Wind Assets

- Transformative acquisition from largest U.S. independent wind power platform
- Acquired **\$141M CAFD** <sup>(1)</sup> at attractive 8.4% <sup>(2)</sup> cash-on-cash yield
- **930 MW** <sup>(3)</sup> acquisition: 7 North American wind assets from Invenergy
  - High-quality portfolio: average ~19 years contract life, AA credit rating
  - 460 MW drop downs at closing: cash on hand and bond financing
  - 470 MW future drop downs: intended for TerraForm Private warehouse facility
- Accretive transaction: establishing **\$1.70 2016 DPS guidance**; 26% YOY growth
- **New long-term growth target: 20%** from current dividend
- Closing: expected by 4Q 2015

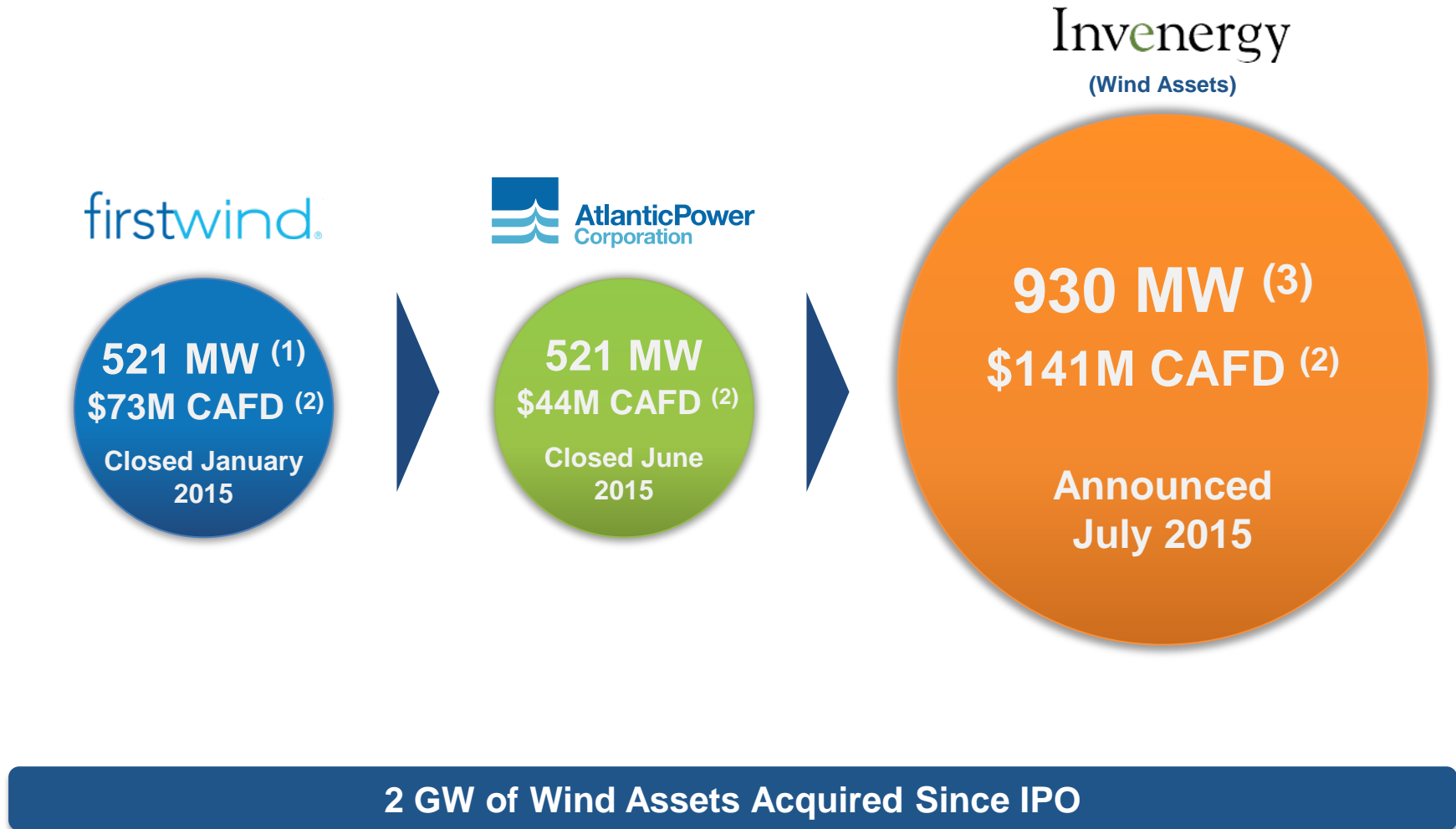
**Transaction Unlocks Value and Aggregates Fragmented Market**



1. Represents expected 10-year average unlevered; includes payments on fixed rate notes at California Ridge  
2. Average 10-year levered CAFD at 3.5x leverage (\$493M debt) as a percent of equity investment (\$111M of levered CAFD and \$1,325M of equity investment (including cash)  
3. Net of 9.9% ownership stake retained by Invenergy in U. S. assets



# Leveraging First Wind Platform to Accelerate Growth



# Invenergy: Operating Assets and Platform Partnership

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- Largest independent wind owner in the United States
  - 7 GW operating
  - 10 GW in development
  - Founder / CEO Michael Polsky: North American power industry pioneer
- Invenergy to retain 9.9% of the US assets in acquired portfolio
  - Provides opportunity for incremental drop downs
- SunEdison / TerraForm partner with best-in-class developers to scale our platform



Source: Invenergy (California Ridge, Illinois)

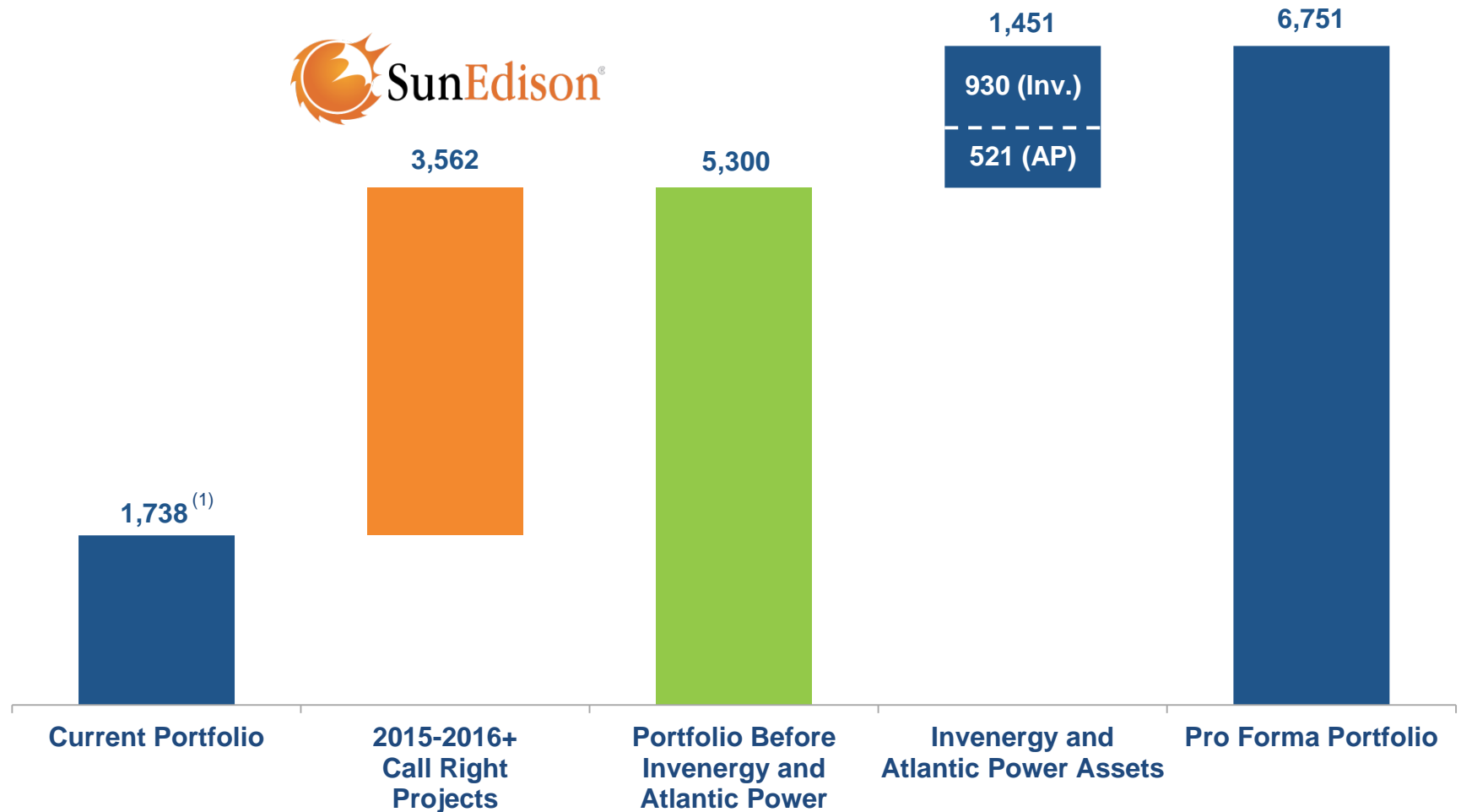
# Invenergy



# Transaction Further Enhances Visibility of Growth

Visibility to ~4x Growth Vs. Current Portfolio

MW



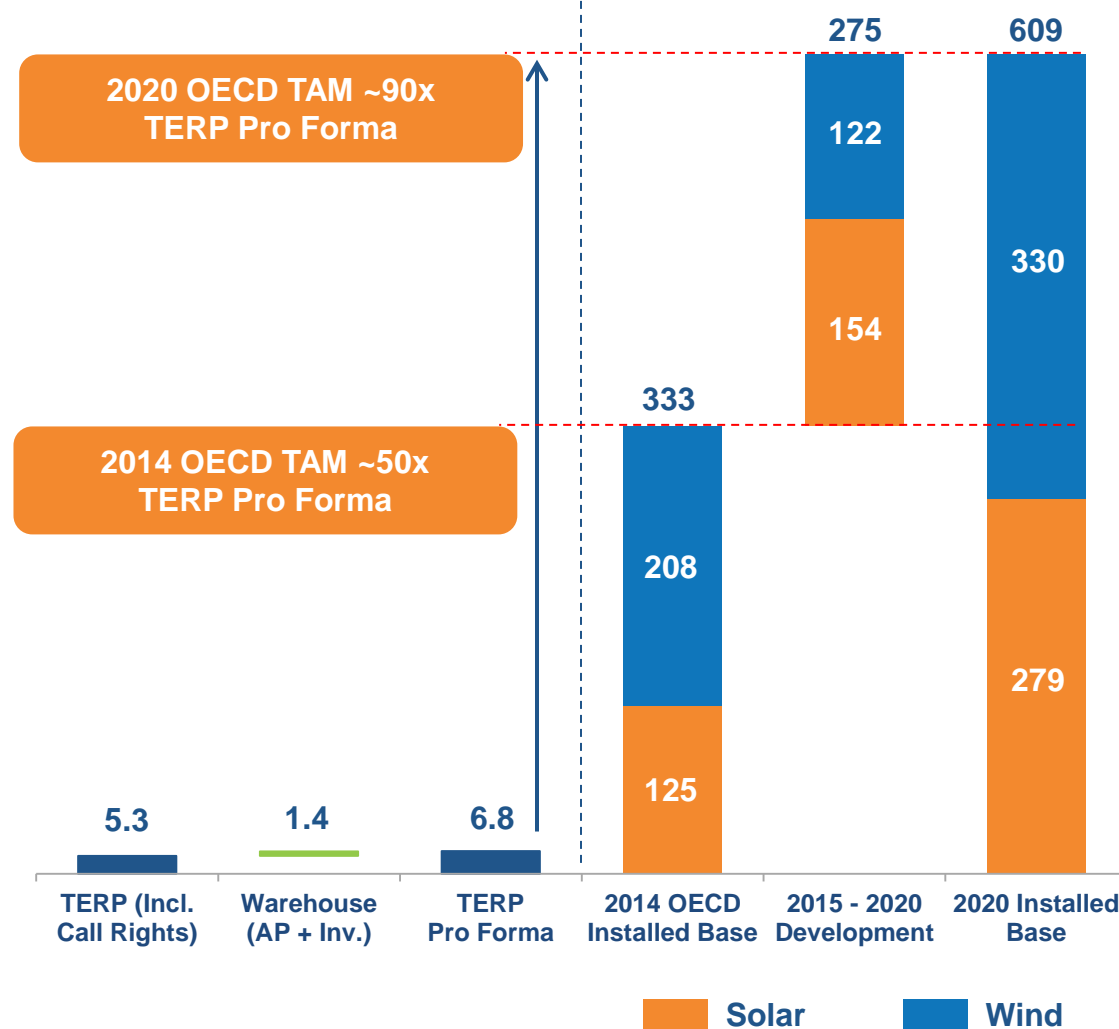
1. Includes 20 MW of projects expected to reach COD in 2Q, 25 MW from Invenergy solar assets, 6 MW from Moose Power, and 32 MW from Integrys / Duke DG. 10 of Moose Power's 14 projects closed in 2Q 2015, with the remaining 4 projects are expected to close in 4Q 2015



# Unlock Value by Aggregating Fragmented Industry

GW

## Substantial Opportunities in Development and M&A <sup>(1)</sup>



## Industry Consolidation

### Small:



Invenergy  
(Solar Assets)



### Medium:



### Large:



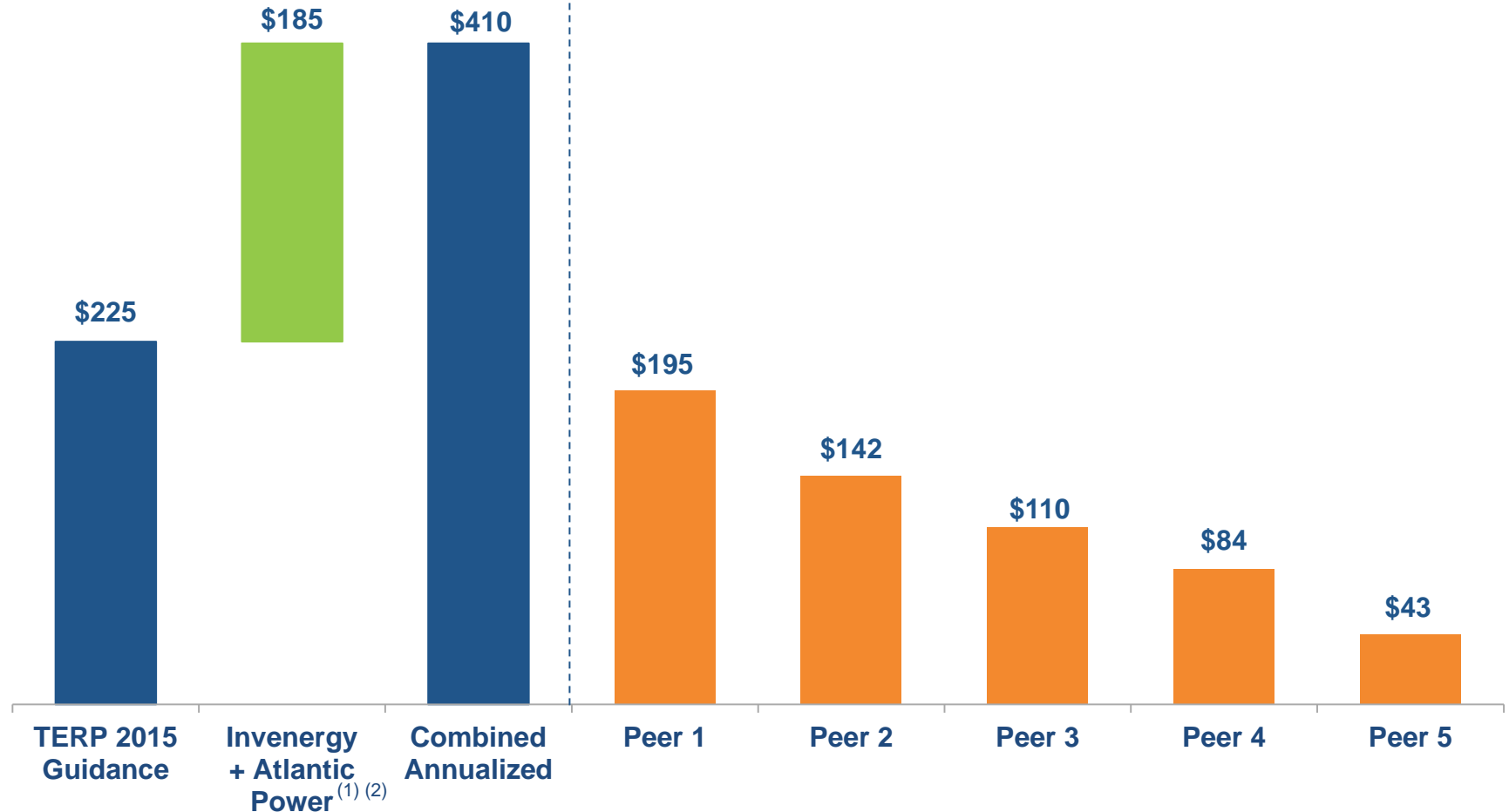
Invenergy  
(Wind Assets)

# TerraForm Power's Significant Scale and Best-in-Class Growth

\$M

## 2015 CAFD Guidance + Expected CAFD

## Top 5 Peer 2015 CAFD Guidance



1. Net of 9.9% ownership stake retained by Invernergy in U. S. assets
2. Includes expected 10-year average unlevered CAFD (including 470 MW of Invernergy assets anticipated to be acquired by new warehouse facility and Atlantic Power assets which were previously acquired by a warehouse facility). Does not impact 2015 guidance



# Strong Strategic Rationale for Acquisition

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- Enhances Growth and Visibility
- Unlock Value: Industry Aggregation
- Improves Portfolio Scale, Diversity
- Highly Accretive to DPS



- Leverage Wind Platform
- Increases TERP Dividend Growth
- Accelerates Realization of IDRs
- Invenery Long-Term Relationship Provides Growth Opportunities

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# TerraForm Financial Impact

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Alex Hernandez, CFO of TerraForm Power





# Invenergy Transaction Asset Summary

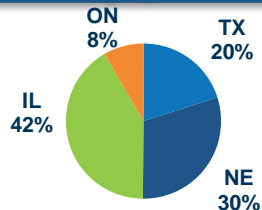
## TERP Drops at Close

Physical Characteristics						Contracts		
Name	State / Province	Size (MW)	Technology	Ownership (%)	COD	Contract Life	Offtaker	Offtaker Rating
<b>Assets Dropped At Close</b>								
Raleigh	ON	78	GE	100	2011	16	Ontario Power Authority	Aa1
California Ridge	IL	196	GE	90	2012	18	TVA	Aaa / AA+
Rattlesnake	TX	187	GE	90	Aug 2015	13	Merrill Lynch Commodities	A1 / A
<b>Total Assets Dropped At Close</b>		<b>460</b>				<b>16</b>		

## TerraForm Private Warehouse Assets

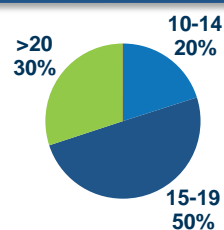
<b>TerraForm Private Warehouse Assets</b>								
Bishop Hill	IL	190	GE	90	2012	17	TVA	Aaa / AA+
Prairie Breeze	NE	181	GE	90	2014	24	Omaha Public Power	A1 / AA
Prairie Breeze II	NE	66	GE	90	Oct 2015	25	Lincoln Electric System	AA
Prairie Breeze III	NE	32	GE	90	Mar 2016	25	City of Grand Island	A1
<b>Total Warehouse Assets</b>		<b>470</b>				<b>21</b>		
<b>Grand Total</b>		<b>930</b>				<b>19</b>		<b>Aa2 / AA</b>

### Geographic Mix



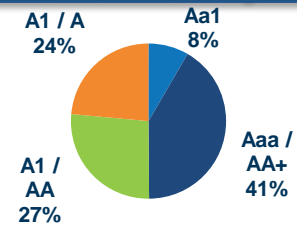
*Attractive Assets in High Wind Resource Locations*

### PPA Years Remaining



*Weighted Average Remaining Contract Life of ~19 years*

### Off-taker Rating



*Aa2 / AA Weighted Average Off-taker Credit Rating*



1. Closing to occur at COD

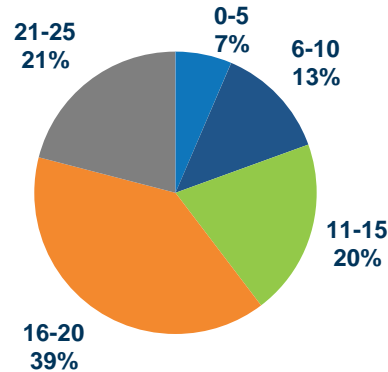


# Acquisition Improves Portfolio Scale & Diversity

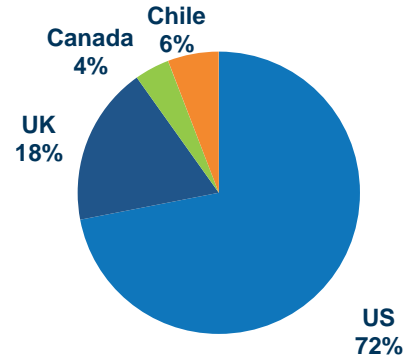
## TerraForm Power Portfolio

**1.7  
GW<sup>(1)</sup>**

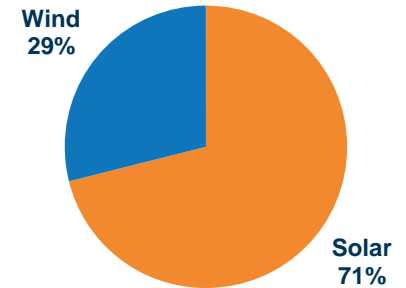
PPA Years Remaining



Geographic Mix

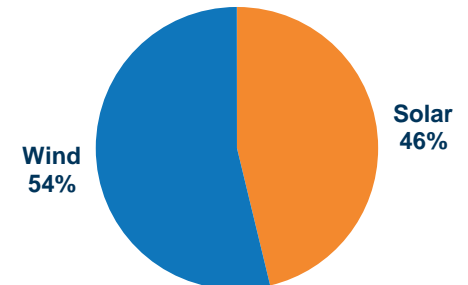
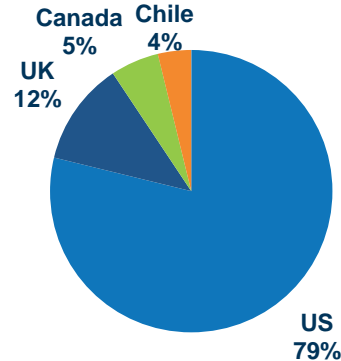
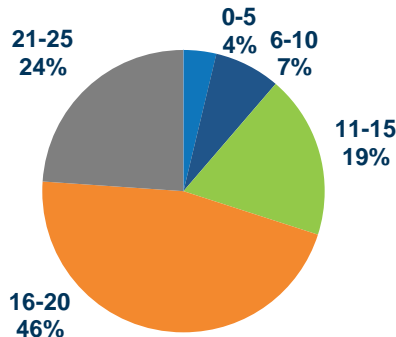


Asset Mix



## TerraForm Power Portfolio Pro Forma for Invenergy Assets

**2.6  
GW**



# Evolution of the Warehouse Drives Shareholder Value & Growth



## Closed 1Q

Warehouse 1.0:  
Development Assets

\$1.5B

FIRST RESERVE  
CORPORATION

AUM: \$30B

## Closed 2Q

TerraForm Private  
Warehouse  
Tranche I:  
Atlantic Power

\$0.5B

John Hancock

AUM: \$130B

MACQUARIE

AUM: \$364B

## Target 4Q Close

TerraForm Private  
Warehouse:  
U.S. Invenergy  
Assets +

~\$1.0B

Equity & Debt  
Investors

Projects Acquired  
After COD

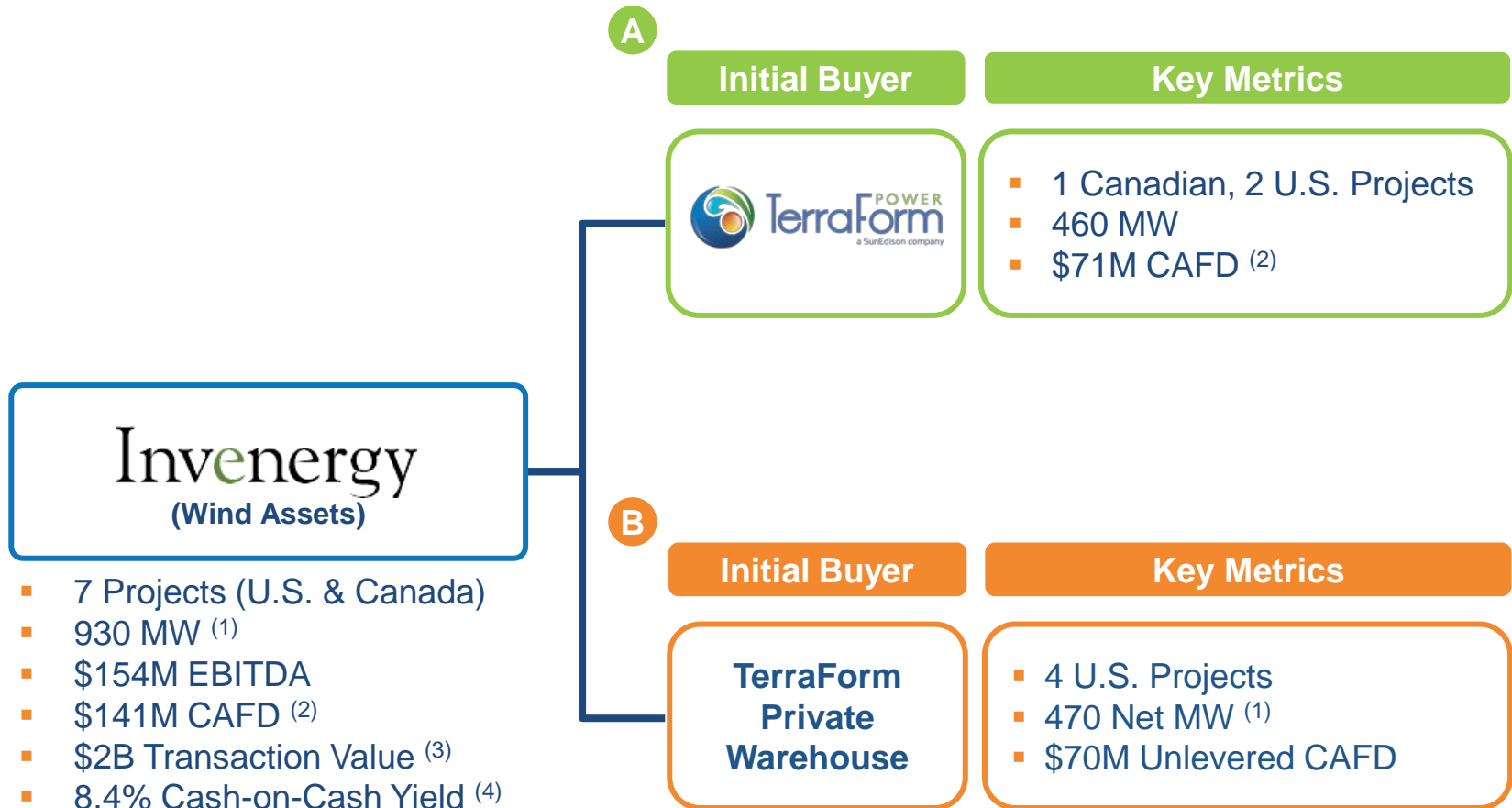
Project Acquisition  
Timing Decided by  
TerraForm



(NASDAQ: TERP)  
Market Cap: \$5.3B <sup>(1)</sup>

Warehouse provides attractive sources of capital as alternative to public market financing

# Invenergy: Immediate Drop Down and Long-Term Growth



# Expected Sources & Uses: \$2B Transaction Value

\$M

A

## TerraForm Corporate Financing for Immediate Drop Downs

### Sources of Funds

New Bond Financing	\$300
Cash on Hand	310
Assumed Project Debt	450

<b>Total Sources of Funds</b>	<b>\$1,060</b>
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### Uses of Funds

Raleigh, CA Ridge & Rattlesnake <sup>(1)</sup>	\$1,060
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<b>Total Uses of Funds</b>	<b>\$1,060</b>
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B

## TerraForm Private Warehouse Financing for Future Drop Downs

### Sources of Funds

TerraForm Private Warehouse Financing	\$995
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<b>Total Sources of Funds</b>	<b>\$995</b>
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### Uses of Funds

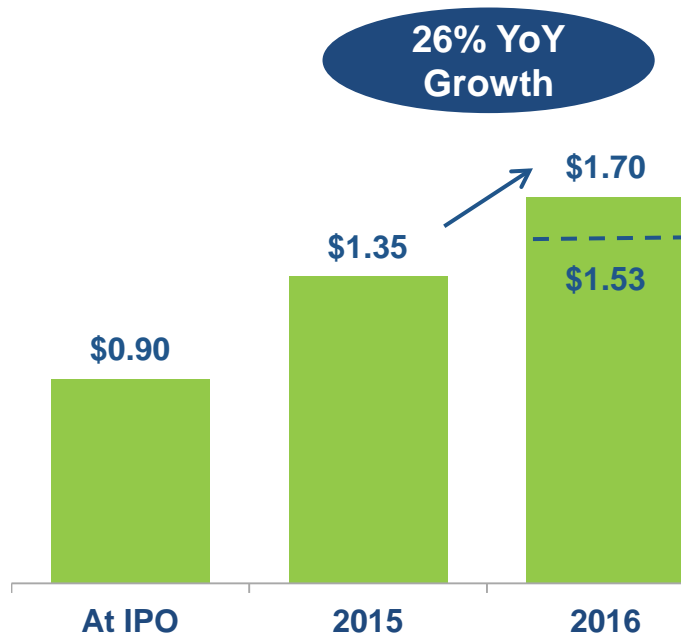
Remaining U.S. Portfolio <sup>(2)</sup>	\$995
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<b>Total Uses of Funds</b>	<b>\$995</b>
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# Establishing 2016 Guidance: 26% Year-over-Year Growth

2016 DPS guidance established at \$1.70 vs. \$1.53 prior target



Expected to contribute \$0.05 to 2016 DPS



Expected to contribute \$0.12 to 2016 DPS

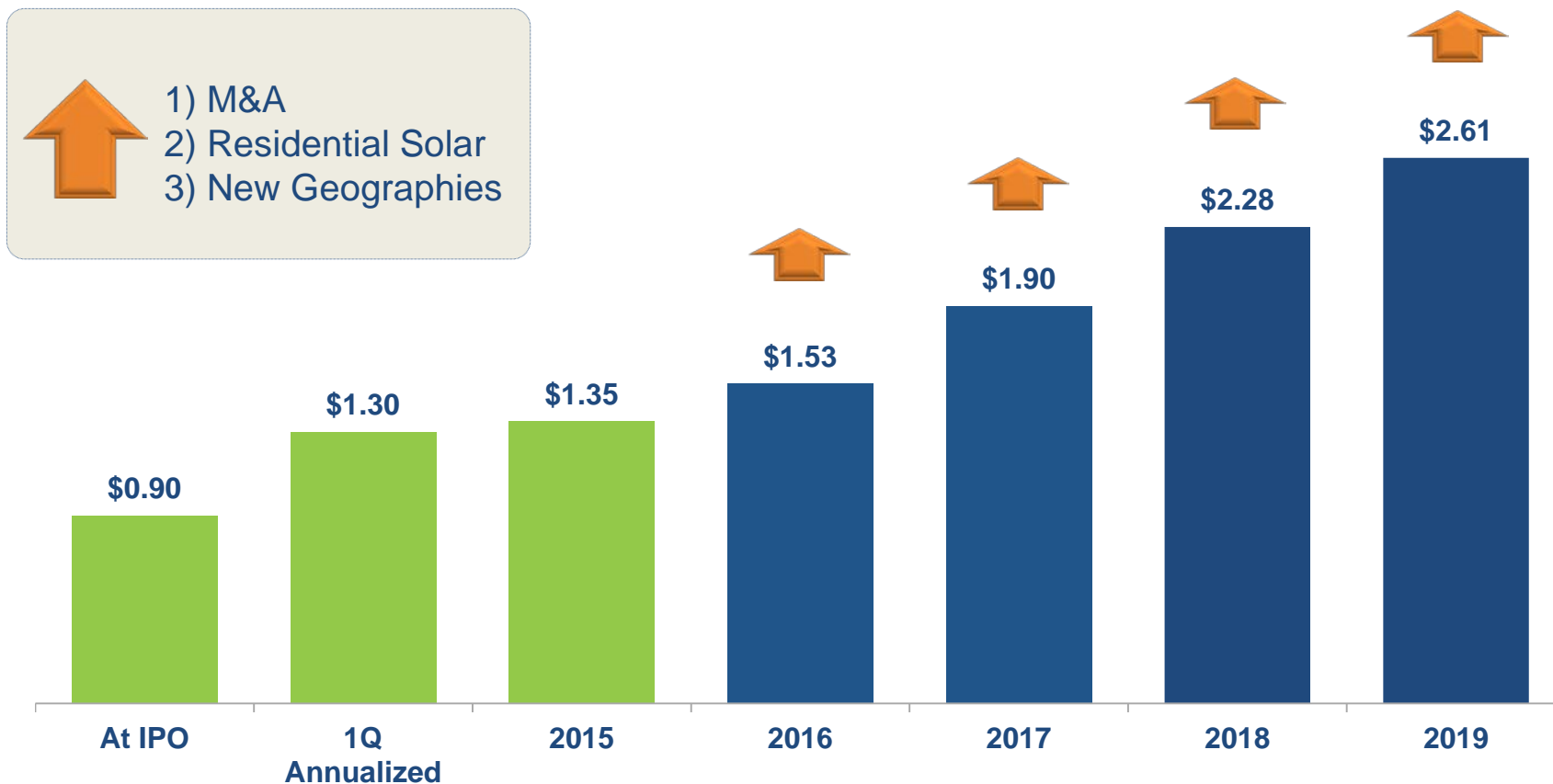
Invenergy  
(Initial Drop Down Assets)

✓ Execution → ✓ CAFD Growth → ✓ DPS Growth

# Previous DPS Targets and Guidance

 Guidance DPS

 Target DPS



Execution



CAFD Growth

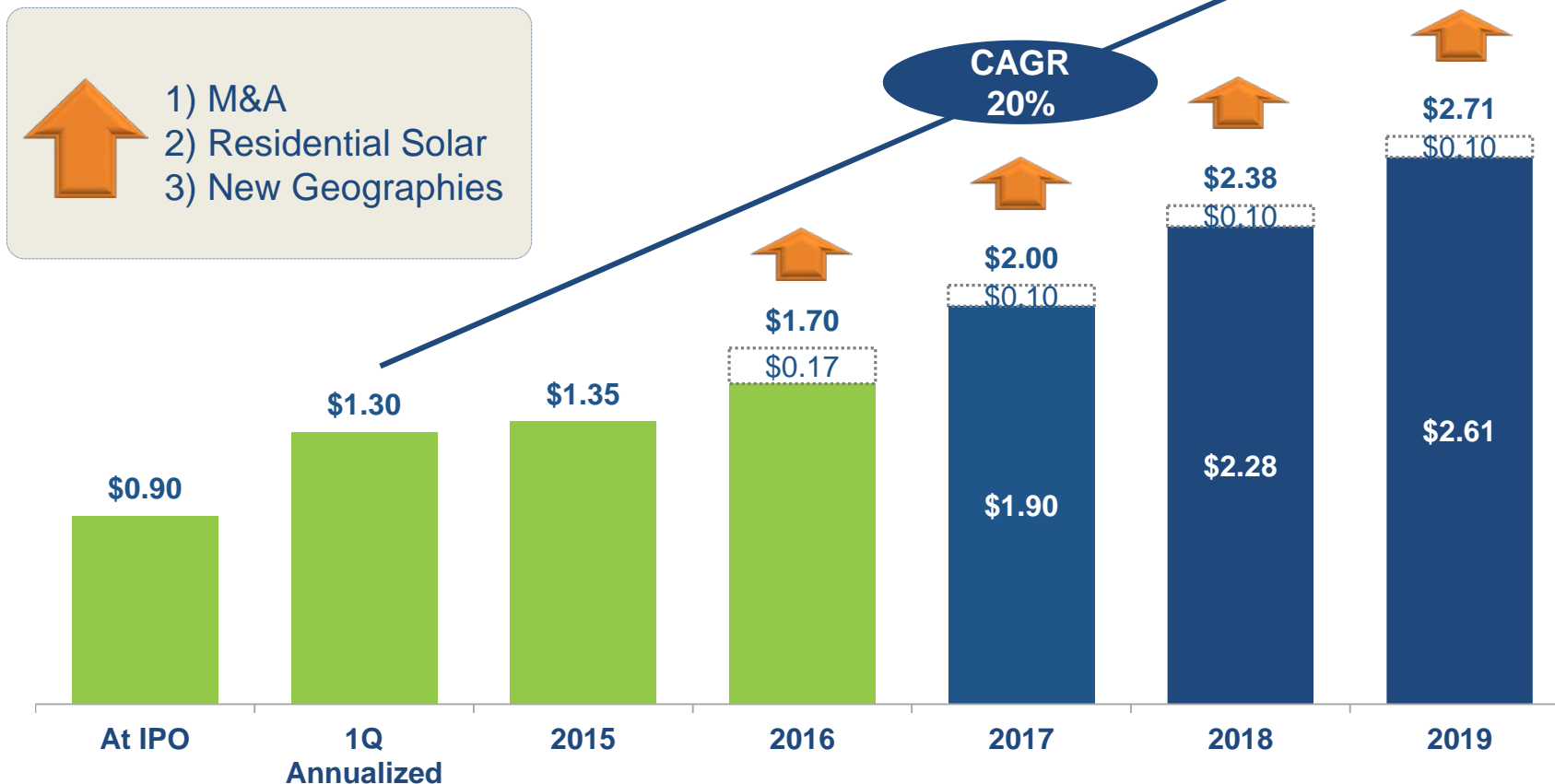


DPS Growth

# Best-in-Class Long-Term DPS Growth Target of 20%

Guidance DPS

Target DPS



Execution

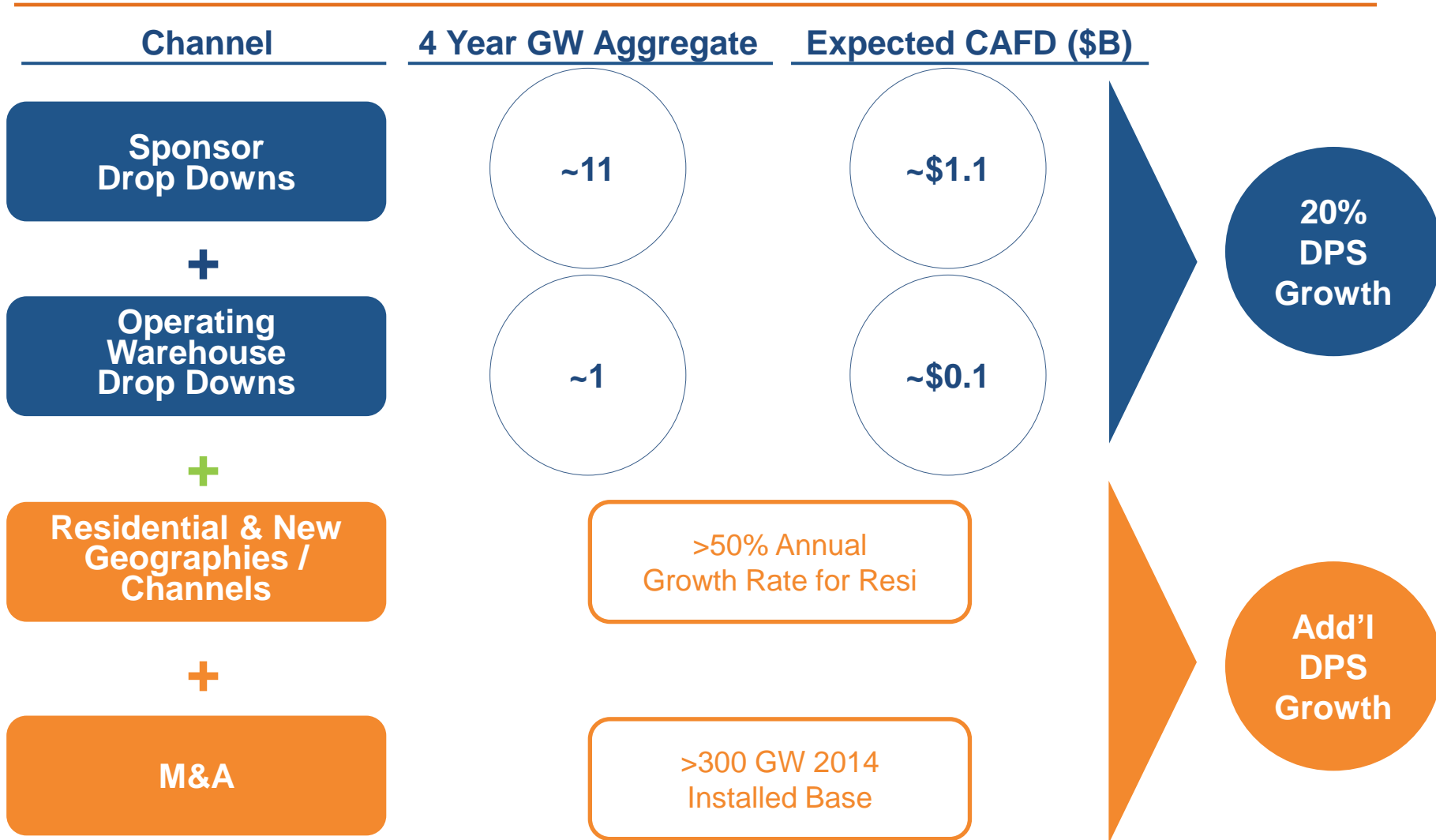


CAFD Growth



DPS Growth

# Multi-Channel Platform Provides Strong Growth Visibility



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# SunEdison Financial Impact

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Brian Wuebbels, CFO of SunEdison





# Strong Strategic Rationale for Acquisition

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- Unlock Value: Industry Aggregation
- Improves Portfolio Scale, Diversity
- Enhances Growth and Visibility
- Highly Accretive to DPS



- Leverage Wind Platform
- Increases TERP Dividend Growth
- Accelerates Realization of IDRs
- Invenergy Long-Term Relationship Provides Growth Opportunities

# Leverage The TerraForm / SunEdison Wind Platform

MW

**3.3 GW of operating/construction assets acquired to date and large development opportunity**

- TerraForm Operating Assets
- SunEdison Operating Assets
- Total Development Opportunities

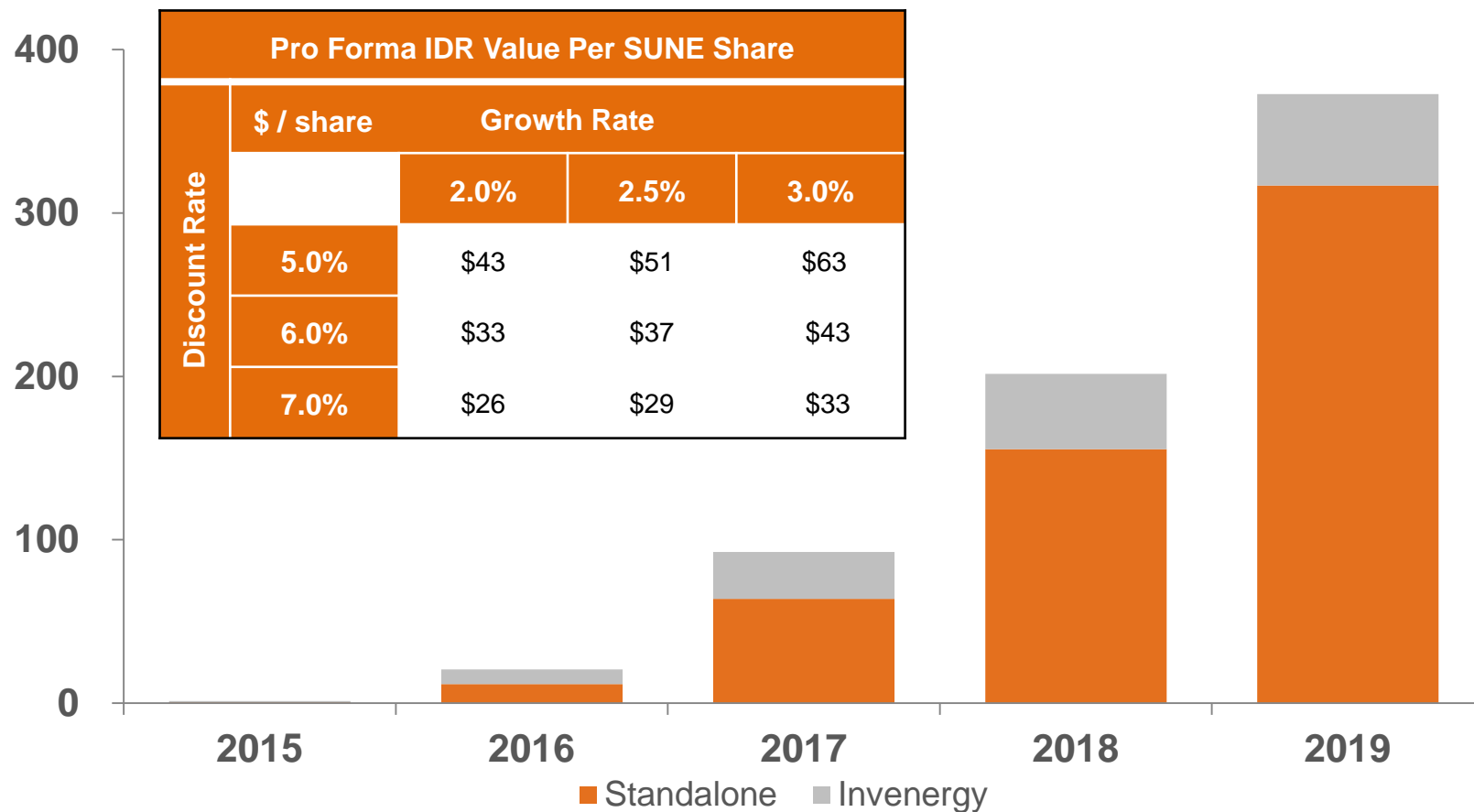


Note: Includes operating projects and projects under construction at the time of acquisition  
 1. Net of 9.9% ownership stake retained by Invenergy in U. S. assets



# Value of SunEdison's IDR Interest in TERP

\$M



**TerraForm to Reach High IDR Split in Late 2016**





Note: NPV calculation based on a 6.0% cost of equity and 2.5% perpetuity growth assumption; assumes no taxes

1. Assumes Raleigh, CA Ridge, and Rattlesnake (460 MW) are dropped into TerraForm power at closing and the remaining projects are dropped into TerraForm Power in 2017 and 2018



# Acquisition Expected to Add \$2B Value to SunEdison



	Expected 2018 IDR / Dividends to SUNE		Value Created	Value Created / Share
 Standalone	\$285M	40x GP Multiple	\$11B	\$36
 Benefit From Acquisition	~\$50M		\$2B	\$6

  
**Invenenergy**  
 Pro Forma Combined

**~\$335M**

**\$13B**

**\$43**

**GP Model Enhances Shareholder Value from Accretive Acquisitions**

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# Concluding Remarks & Q&A

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**TerraForm** POWER  
a SunEdison company



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# Appendix

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**TerraForm** POWER  
a SunEdison company

# TerraForm Reg. G: Reconciliation to CAFD

(in thousands)

Year Ended December 31,  
2015

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

Net cash provided by operating activities	\$	265,900
Changes in assets and liabilities		(8,500)
Deposits into/withdrawals from restricted cash accounts		15,200
Cash distributions to non-controlling interests		(23,300)
Scheduled project-level and other debt service and repayments		(35,800)
Non-expansory capital expenditures		(13,000)
Contributions received pursuant to agreements with SunEdison (a)		16,500
Other		8,000
Estimated cash available for distribution	\$	<u>225,000</u>



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

