

TERRAFORM POWER

# Q1 2018 Supplemental — Information

Three Months Ended March 31, 2018



# CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS



This communication 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. 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,” “anticipate,” “believe,” “intend,” “plan,” “seek,” “estimate,” “predict,” “project,” “goal,” “guidance,” “outlook,” “objective,” “forecast,” “target,” “potential,” “continue,” “would,” “will,” “should,” “could,” or “may” or other comparable terms and phrases. All statements that address operating performance, events, or developments that the Company expects or anticipates will occur in the future are forward-looking statements. They may include estimates of expected cash available for distribution, earnings, revenues, capital expenditures, liquidity, capital structure, future growth, financing arrangements and other financial performance items (including future dividends per share), descriptions of management’s plans or objectives for future operations, products, or services, or descriptions of assumptions underlying any of the above. Forward-looking statements provide the Company’s current expectations or predictions of future conditions, events, or results and speak only as of the date they are made. Although the Company 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.

Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are listed below and further disclosed under the section entitled Item 1A. Risk Factors: risks related to the transition to Brookfield Asset Management Inc. sponsorship, including our ability to realize the expected benefits of the sponsorship; risks related to wind conditions at our wind assets or to weather conditions at our solar assets; risks related to the effectiveness of our internal controls over financial reporting; pending and future litigation; the willingness and ability of counterparties to fulfill their obligations under offtake agreements; price fluctuations, termination provisions and buyout provisions in offtake agreements; our ability to enter into contracts to sell power on acceptable prices and terms, including as our offtake agreements expire; our ability to compete against traditional and renewable energy companies; government regulation, including compliance with regulatory and permit requirements and changes in tax laws, market rules, rates, tariffs, environmental laws and policies affecting renewable energy; risks related to the expected relocation of the Company’s headquarters; the condition of the debt and equity capital markets and our ability to borrow additional funds and access capital markets, as well as our substantial indebtedness and the possibility that we may incur additional indebtedness going forward; operating and financial restrictions placed on us and our subsidiaries related to agreements governing indebtedness; risks related to the expected timing and likelihood of completion of the tender offer for the shares of Saeta Yield, S.A., including the timing or receipt of any governmental approvals; risks related to our financing of the tender offer for the shares of Saeta Yield, S.A., including our ability to issue equity on terms that are accretive to our shareholders and our ability to implement our permanent funding plan; our ability to successfully identify, evaluate and consummate acquisitions; and our ability to integrate the projects we acquire from third parties, including Saeta Yield, S.A., or otherwise and our ability to realize the anticipated benefits from such acquisitions.

The Company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions, factors, or expectations, new information, data, or methods, future events, 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 our Annual Report on Form 10-K and any subsequent Quarterly Report on Form 10-Q, as well as additional factors we may describe from time to time in other filings with the SEC. We operate in a competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and you should understand that it is not possible to predict or identify all such factors and, consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

## Activities Highlights

- Announced offer to acquire 100% of Saeta Yield, a leading, publicly-listed European owner and operator of wind and solar assets, located primarily in Spain. Received Spanish regulatory approval for the acquisition and for our offer price of €12.20 per share; launching tender offer in early May; expecting to close the transaction in June or July
- We are in advanced negotiations with an original equipment manufacturer to provide a full-wrap long-term service contract covering all our wind fleet, which features a fixed price that is consistent with our business plan and attractive availability guarantees
- In late stage negotiations to acquire a fully contracted 6 MW DG solar portfolio; includes a ROFO on an additional 15 MW with the same seller, which we may be able to exercise in phases over the next 9-18 months
- In January one of the towers at our Raleigh, Ontario facility collapsed due to a single faulty blade. In order to determine the root cause of the blade failure, we removed from service all 70 turbines across the fleet that utilize the same blades. After a thorough investigation to determine the root cause of the blade failure and rigorous inspections of the blades, the turbines have been returned to normal service
- In early February 2018, we upsized our corporate revolving credit facility to \$600 million, TERP now has over \$1 billion of liquidity under committed facilities
- Paid quarterly dividend of \$0.19 per share, or \$0.76 per share on an annualized basis – a 6% increase over previous guidance

1,834 GWh  
Generation

\$23 million  
CAFD

~\$1,037 million  
Corporate Liquidity

## Key Performance Metrics

(MILLIONS, EXCEPT AS NOTED)	Three months ended	
	2018	Mar 31 2017
LTA generation (GWh)	2,022	2,022
Total generation (GWh) <sup>(1)</sup>	1,834	1,982
Adjusted Revenue <sup>(3)</sup>	\$ 139	\$ 149
Adjusted EBITDA <sup>(3)</sup>	96	103
<b>Net loss</b>	<b>(76)</b>	(56)
CAFD <sup>(3)</sup>	23	19
<b>Earnings (loss) per share<sup>(2)</sup></b>	<b>\$ 0.56</b>	<b>\$ (0.37)</b>
CAFD per share <sup>(3)(4)</sup>	\$ 0.16	\$ 0.14
Excluding impact of Raleigh outages		
Total generation (GWh) <sup>(1)(5)</sup>	1,897	1,982
Adjusted EBITDA <sup>(3)(5)</sup>	\$ 102	\$ 103
CAFD <sup>(3)(5)</sup>	\$ 29	\$ 19

<sup>(1)</sup> Adjusted for sale of our UK solar and Residential portfolios.

<sup>(2)</sup> Earnings per share for the three months ended March 31, 2018 includes the impact of a \$145.0 million net loss allocated to non-controlling interests resulting from changes in tax rates effective January 1, 2018.

<sup>(3)</sup> Non-GAAP measures. See "Calculation and Use of Non-GAAP Measures" and "Reconciliation of Non-GAAP Measures" sections. Amounts in 2017 adjusted for sale of our UK and Residential portfolios.

<sup>(4)</sup> Loss per share calculated on weighted average basic and diluted Class A shares outstanding. CAFD per share calculated on shares outstanding of Class A common stock and Class B common stock on March 31. For three months ended March 31, 2018, Class A common stock shares outstanding totaled 148.1 million (three months ended March 31, 2017: 92.2 million). For three months ended March 31, 2018, there is no Class B common stock shares outstanding (three months ended March 31, 2017: 48.2 million).

<sup>(5)</sup> Excluding impact of Raleigh outages in 2018.

## Key Balance Sheet Metrics

(IN \$ MILLIONS)	Mar 31	Dec 31
	2018	2017
Corporate liquidity	1,037	855
Total long-term debt	3,637	3,643
Total capitalization <sup>(1)</sup>	5,966	6,071

<sup>(1)</sup> Total capitalization is comprised of total stockholders' equity, redeemable non-controlling interests, and Total long-term debt.

## Performance Highlights

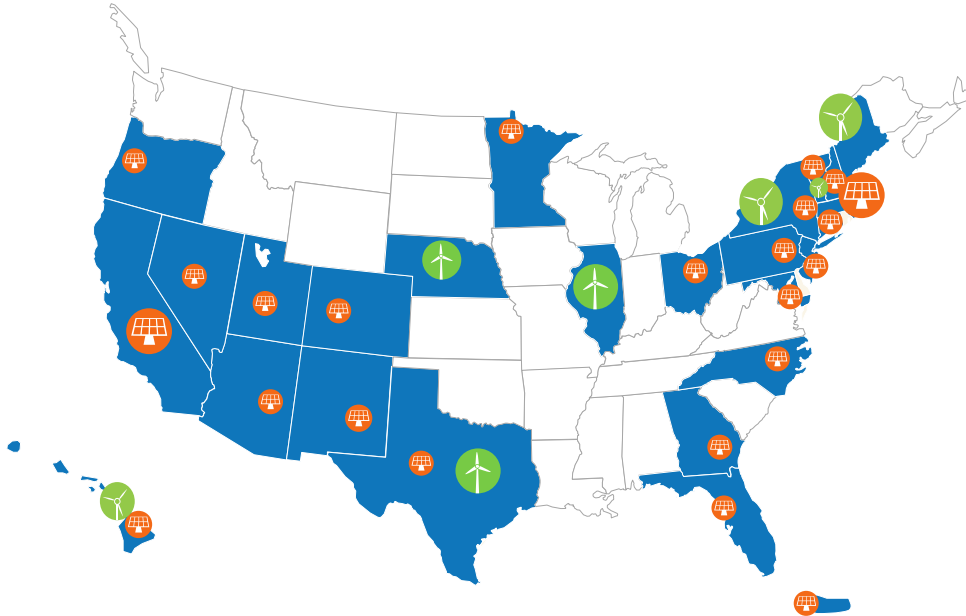
- Our portfolio performed broadly in-line with expectations, excluding the impact of the Raleigh outages, delivering Adjusted EBITDA and CAFD of \$102 million and \$29 million
  - Adjusted EBITDA \$1 million down mainly due to congestion in Texas Wind, partially offset by stronger resource in Utility Solar
  - CAFD \$10 million higher due to lower debt service driven by refinancing executed in Q4 2017, and lower distributions to non-controlling interests, partially offset by lower Adjusted EBITDA
- Including the nonrecurring lost revenue related to the Raleigh outages, Adjusted EBITDA and CAFD were \$96 million and \$23 million
- Excluding the impact of the Raleigh outages, total generation in Q1 2018 of 1,897 GWh, ~4% lower than Q1 2017, primarily due to curtailment in our Wind segment. We experienced fleet availability of 95%
- Net loss of (\$76) million was \$20 million greater than Q1 2017 primarily due to lower Adjusted EBITDA and asset impairment in DG Solar of \$15 million due to FirstEnergy Solutions bankruptcy
- Robust liquidity with over \$1 billion of corporate liquidity available to fund growth

TerraForm Power's goal is to own and operate high-quality solar and wind generation assets in North America and Western Europe

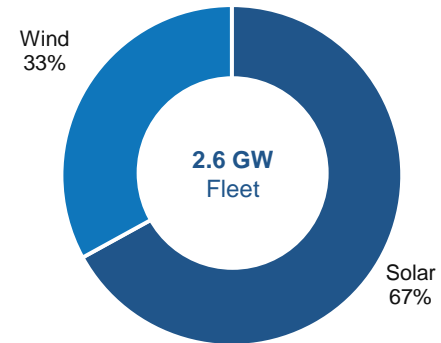
## Performance Targets and Key Measures

- Our objective is to deliver an attractive total return in the low teens per annum to our shareholders
- Expect to generate return from a dividend backed by stable cashflow from our assets and 5-8% annual dividend per share increase that we believe is sustainable over the long term
  - We target a dividend payout of 80-85% of CAFD
  - Over the next five years, expect growth to be driven primarily by cost savings, accretion from Saeta acquisition, and organic investments
  - Opportunistic, value-oriented acquisitions expected to provide upside to our business plan
- Growth in CAFD per share is a key performance metric as it is a proxy for our ability to increase distributions

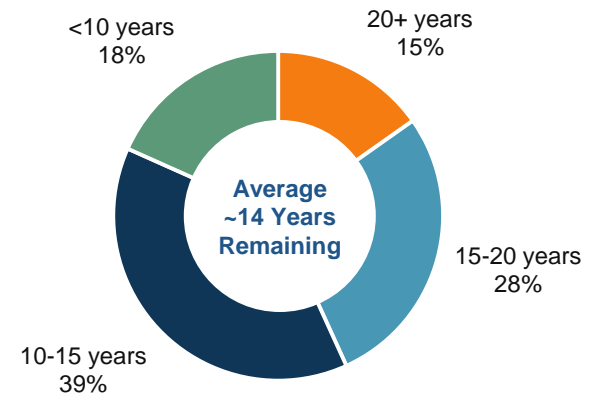
Owner and operator of a 2,606 MW diversified portfolio of high-quality solar and wind assets, primarily in the US, underpinned by long-term contracts





## Large Scale Portfolio with Cash Flow Diversified by Technology<sup>1</sup>



## Long-Term Offtake Contract<sup>1</sup>



	Solar 	Wind 	Total
US	894 MW	1,453 MW	2,347 MW
International	181 MW	78 MW	259 MW
<b>Total</b>	<b>1,075 MW</b>	<b>1,531 MW</b>	<b>2,606 MW</b>

1. Weighted on 2017 project CAFD.

# Generation and Revenue



	(GWh)			(MILLIONS)			
	Actual Generation		LTA Generation	Operating Revenue, Net		Adjusted Revenue <sup>(1)</sup>	
	Q1 2018	Q1 2017	Q1	Q1 2018	Q1 2017	Q1 2018	Q1 2017
<b>Wind</b>							
Central Wind	669	778	779	\$ 32	\$ 40	\$ 40	\$ 49
Texas Wind	430	479	454	\$ 6	\$ 13	\$ 6	\$ 10
Hawaii Wind	41	39	66	\$ 8	\$ 7	\$ 8	\$ 7
Northeast Wind	325	330	324	\$ 22	\$ 25	\$ 24	\$ 25
	<b>1,465</b>	<b>1,626</b>	<b>1,623</b>	<b>\$ 68</b>	<b>\$ 85</b>	<b>\$ 78</b>	<b>\$ 91</b>
<b>Solar</b>							
NA Utility Solar	204	189	219	\$ 23	\$ 21	\$ 24	\$ 22
International Utility Solar	62	64	66	\$ 8	\$ 8	\$ 7	\$ 9
DG	103	103	114	\$ 29	\$ 30	\$ 30	\$ 27
	<b>369</b>	<b>356</b>	<b>399</b>	<b>60</b>	<b>59</b>	<b>61</b>	<b>58</b>
<b>Total adjusted for Asset Sales</b>	<b>1,834</b>	<b>1,982</b>	<b>2,022</b>	<b>\$ 128</b>	<b>\$ 144</b>	<b>\$ 139</b>	<b>\$ 149</b>
<b>Asset Sold</b>		<b>50</b>		<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>
<b>Total</b>	<b>1,834</b>	<b>2,032</b>	<b>2,022</b>	<b>\$ 128</b>	<b>\$ 151</b>	<b>\$ 139</b>	<b>\$ 156</b>

(1) Non-GAAP measures. See "Calculation and Use of Non-GAAP Measures" and "Reconciliation of Non-GAAP Measures" sections. Adjusted for unrealized (gain) loss on commodity contract derivatives, amortization of favorable and unfavorable rate revenue contracts, other non-cash items, and sale of our UK solar and Residential portfolios.

- Long term average annual generation (LTA) is energy at the point of delivery net of all recurring losses and constraints. Our LTA represents the level of production that we expect to achieve starting in 2019 as we improve the performance of our fleet
- We compare actual generation levels against the long-term average to highlight the impact of an important factor that affects the variability of our business results. In the short-term, we recognize that wind and irradiance conditions will vary from one period to the next; however, we expect our facilities will produce electricity in-line with their long-term averages over time

# Selected Income Statement and Balance Sheet Information



The following tables present selected income statement and balance sheet information by operating segment:

## Income Statement

(MILLIONS, UNLESS NOTED)	Three months ended	
	Mar 31	
	2018	2017
<b>Net loss</b>		
Solar	(12)	6
Wind	(7)	5
Corporate	(57)	(67)
Total	\$ (76)	\$ (56)
<b>Adjusted EBITDA</b>		
Solar	49	47
Wind	54	65
Corporate	(7)	(9)
Total	\$ 96	\$ 103
<b>CAFD</b>		
Solar	23	21
Wind	35	33
Corporate	(35)	(35)
Total	\$ 23	\$ 19

## Balance Sheet

(MILLIONS)	As of	
	Mar 31, 2018	Dec 31, 2017
<b>Total Assets</b>		
Solar	2,814	2,897
Wind	3,342	3,401
Corporate	103	89
Total	\$ 6,259	\$ 6,387
<b>Total Liabilities</b>		
Solar	1,101	1,145
Wind	882	884
Corporate	1,946	1,929
Total	\$ 3,929	\$ 3,958
<b>Total Equity and NCI</b>		
Solar	1,713	1,752
Wind	2,460	2,517
Corporate	(1,843)	(1,840)
Total	\$ 2,330	\$ 2,429





## Operating Segments

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## Overview

- 1,075 MW of net capacity
- 515 Sites in diverse geographies
- Average remaining PPA life of 17 years
- Average offtaker credit rating of Aa3
- Diverse mix of high quality modules

## Contracted cash flows

- Utility scale – generation contracted by investment grade counterparties (such as state utilities)
- Distributed generation – mostly behind the meter generation contracted by investment grade public offtakers (municipalities, universities, schools, hospitals), and commercial and industrial offtakers

The following table presents selected key performance metrics for our Solar segment:

(MILLIONS, UNLESS NOTED)	Three months ended	
	2018	Mar 31 2017
Capacity (MW)	<b>1,075</b>	1,075
LTA Generation (GWh)	<b>399</b>	399
Availability (%)	<b>93%</b>	93%
Generation (GWh) <sup>(1)</sup>	<b>369</b>	356
Adjusted Revenue <sup>(1)</sup>	<b>\$ 61</b>	\$ 58
Average Adj. Revenue per MWh <sup>(1)</sup>	<b>\$ 166</b>	\$ 162

(1) Adjusted for sale of our UK solar and Residential portfolios.

(MILLIONS, UNLESS NOTED)	Three months ended	
	2018	Mar 31 2017
Adjusted revenue <sup>(1)</sup>	61	58
Direct operating costs <sup>(1)</sup>	(12)	(11)
Adjusted EBITDA <sup>(1)</sup>	\$ 49	\$ 47
Adjusted interest expense <sup>(1)</sup>	(14)	(14)
Levelized principal repayments	(12)	(12)
Distributions to NCI	(3)	(4)
Other	3	4
CAFD <sup>(1)</sup>	\$ 23	\$ 21
Adjusted EBITDA	49	47
Interest expense	(15)	(20)
Depreciation and amortization	(30)	(29)
Other	(16)	8
Net (loss) income	\$ (12)	\$ 6

(1) Adjusted for sale of our UK solar and Residential portfolios in 2017.

(MILLIONS, EXCEPT AS NOTED)	Actual Generation (GWh)		Average Adj. Revenue per MWh	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
NA Utility Solar	204	189	\$ 118	\$ 116
International Utility Solar	62	64	120	132
DG	103	103	289	266
Total	369	356	\$ 166	\$ 162

## Performance Highlights

- Adjusted EBITDA and CAFD were \$49 million and \$23 million, respectively, versus \$47 million and \$21 million, respectively, in Q1 2017
- Adjusted EBITDA increased \$2 million due to higher average realized prices in DG solar driven by greater SREC subscriptions at strong prices in 2018, and higher volumes in Utility Solar. These were partially offset by an increase in costs related to SunEdison sponsor subsidies, which benefited 2017
- CAFD increased \$2 million due to greater Adjusted EBITDA, and lower distributions to non-controlling interests than Q1 2017. Project defaults in 2016 caused cash traps, which increased distributions to non-controlling interests in Q1 2017 as cash was released
- Net loss of (\$12 million) was \$18 million lower than Q1 2017 primarily due to an asset impairment in DG Solar
- Availability was adversely impacted in Q1 2018 primarily due to switch gear outages in Chile

## Overview

- 1,531 MW of net capacity
- 18 Sites in diverse geographies
- Average remaining PPA life of 12 years
- Average offtaker credit rating of A1
- Recently constructed assets (average 5 years old) with primarily top tier turbines

## Contracted cash flows

- Substantially all generation is contracted with investment grade counterparties, such as state utilities or financial institutions

The following table presents selected key performance metrics for our Wind segment:

(MILLIONS, UNLESS NOTED)	Three months ended	
	2018	Mar 31 2017
Capacity (MW)	<b>1,531</b>	1,531
LTA Generation	<b>1,623</b>	1,623
Adjusted Availability (%) <sup>(1)</sup>	<b>95%</b>	95%
Generation (GWh) <sup>(1)</sup>	<b>1,528</b>	1,626
Adjusted Revenue <sup>(1)</sup>	<b>\$ 84</b>	\$ 91
Average Adj. Revenue per MWh	<b>\$ 53</b>	\$ 56

<sup>(1)</sup> Excluding impact related to Raleigh outages in 2018.

(MILLIONS, UNLESS NOTED)	Three months ended	
	Mar 31	
	2018	2017
Adjusted revenue	78	91
Direct operating costs	(24)	(26)
Adjusted EBITDA	\$ 54	\$ 65
Adjusted interest expense	(11)	(20)
Levelized principal repayments	(12)	(13)
Distributions to NCI	(2)	(6)
Sustaining capital expenditures	(2)	-
Other	8	7
CAFD	\$ 35	\$ 33
Adjusted EBITDA	54	65
Interest expense	(11)	(20)
Depreciation and amortization	(46)	(41)
Other	(4)	1
Net (loss) income	\$ (7)	5
Excluding impact of Raleigh outages		
Adjusted EBITDA	\$ 60	\$ 65
CAFD	\$ 41	\$ 33

(MILLIONS, EXCEPT AS NOTED)	Actual Generation (GWh)		Average Adj. Revenue per MWh	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Central Wind	669	778	\$ 60	\$ 62
Texas Wind	430	479	14	20
Hawaii Wind	41	39	190	190
Northeast Wind	325	330	73	77
Total	1,465	1,626	\$ 53	\$ 56

## Performance Highlights

- Excluding the impact of the Raleigh outages, Adjusted EBITDA and CAFD were \$60 million and \$41 million, respectively, versus \$65 million and \$33 million, respectively, in Q1 2017
  - Adjusted EBITDA decreased \$5 million versus Q1 2017, primarily due to scheduled grid outage at Bishop Hill in January, partially offset by lower major maintenance versus Q1 2017
  - CAFD was \$8 million higher than Q1 2017 due to refinancing of the MidCo term loan with corporate level debt, partially offset by the impacts to Adjusted EBITDA
- Including the nonrecurring lost revenue related to the Raleigh outages, Adjusted EBITDA and CAFD were \$54 million and \$35 million, respectively, versus \$65 million and \$33 million, respectively, in Q1 2017
- Net loss was (\$7) million, \$12 million lower than Q1 2017, due to lower Adjusted EBITDA, higher depreciation, partially offset by repayment of the MidCo term loan
- Sustaining capital expenditures are reported based on long term averages starting in 2018. The wind fleet will record \$7 million annually (\$2 million per quarter), substantially higher than the \$2 million recorded in FY 2017

The following table presents our Corporate segment's financial results:

(MILLIONS, UNLESS NOTED)	Three months ended	
	Mar 31	
	2018	2017
Direct operating costs	(7)	(9)
Adjusted EBITDA	\$ (7)	\$ (9)
Management fees	(3)	-
Adjusted interest expense	(25)	(26)
CAFD	\$ (35)	\$ (35)
Adjusted EBITDA	(7)	(9)
Interest expense	(28)	(28)
Income tax benefit	1	1
Acquisition and related costs	(4)	-
Non-operating general and administrative expenses	(18)	(25)
Other	(1)	(6)
Net loss	\$ (57)	\$ (67)

## Performance Highlights

- Direct operating costs decreased by \$2 million compared to Q1 2017 primarily due to lower compensation
- Interest expense was broadly in line with Q1 2017, primarily driven by refinancing of our high yield bonds with interest saving of ~200 bps, and lower interest expense on our revolver due to a significant lower balances, partially offset by interest expense on the \$350 million Term Loan B issued in Q4 2017
- Non-operating general and administrative expenses decreased by \$7 million primarily driven by higher legal fees and consulting fees related to litigation and transactions in Q1 2017
- Net loss of (\$57) million was \$10 million lower than Q1 2017, primarily due to reduction in non-operating costs

# Progress Versus Cost Savings Objectives

(MILLIONS, UNLESS NOTED)	Three months ended March 31			
	2018			
	Solar	Wind	Corp	Total
Operating costs	(\$12)	(\$24)	(\$7)	(\$43)
Base management fee	-	-	(2)	(2)
<b>Total operating costs</b>	<b>(\$12)</b>	<b>(\$24)</b>	<b>(\$9)</b>	<b>(\$45)</b>
	Annualized			
	2018			
	Solar	Wind	Corp	Total
Operating costs	(\$48)	(\$97)	(\$25)	(\$171)
Base management fee	-	-	(10)	(10)
<b>Total operating costs</b>	<b>(\$48)</b>	<b>(\$97)</b>	<b>(\$35)</b>	<b>(\$181)</b>
	Twelve months ended December 31			
	2017			
	Solar	Wind	Corp	Total
Operating costs <sup>(1)</sup>	(\$52)	(\$106)	(\$31)	(\$189)
Base management fee	-	-	(2)	(2)
<b>Total operating costs</b>	<b>(\$52)</b>	<b>(\$106)</b>	<b>(\$33)</b>	<b>(\$191)</b>
<b>2018 vs 2017 total operating costs</b>				<b>(\$10)</b>

(1) Operating costs in 2017 include \$5.8 million of costs previously reported as sustaining capex related to our wind assets. These costs will largely be covered by our recently signed FSA contracts and so are being reported for all periods as operating costs.

- On an annualized basis, Q1 operating costs plus base management fee of \$181 million, compared to operating costs of \$191 million on a same store basis in 2017, illustrating cost savings of \$10 million
- Q1 Corporate operating costs include \$0.9 million of audit fees, which were concentrated in Q1 and not reflective of the normal quarterly run rate

We operate with sufficient liquidity to enable us to fund expected growth initiatives, capital expenditures, and distributions, and to provide protection against any sudden adverse changes in economic circumstances or short-term fluctuations in generation.

Principal sources of liquidity are cash flows from operations, our credit facilities, up-financings of subsidiary borrowings and proceeds from the issuance of securities.

Corporate liquidity and available capital were \$1,037 million and \$1,210 million, respectively, as of March 31, 2018:

(MILLIONS)	Mar 31 2018	Dec 31 2017
Unrestricted corporate cash	\$ 73	\$ 47
Project-level distributable cash	12	21
Cash available to corporate	85	68
Credit facilities		
Authorized credit facilities	600	450
Draws on credit facilities	(70)	(60)
Commitments under revolver	(78)	(103)
Undrawn Sponsor Line	500	500
Available portion of credit facilities	952	787
Corporate liquidity	\$ 1,037	\$ 855
Other project-level unrestricted cash	73	60
Project-level restricted cash	95	97
Project-level credit commitments, unissued	5	3
Available capital	\$ 1,210	\$ 1,015



# Maturity Profile

We finance our assets primarily with project level debt that generally has long-term maturities that amortize over the contract life, few restrictive covenants and no recourse to either TerraForm Power or other projects.

We have long-dated, staggered debt maturities. We have no meaningful maturities over next four years.

The following table summarizes our scheduled principal repayments, overall maturity profile and average interest rates associated with our borrowings over the next five years:

(MILLIONS)	Weighted Average Life	Remainder of 2018	2019	2020	2021	2022	Thereafter	Total	Weighted Average Interest Rate
<b>Principal Repayments</b>									
Corporate borrowings									
Notes	7.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 1,500	5.1%
Term Loan	4.6	3	4	4	4	336	-	350	4.6%
Revolver <sup>(1)</sup>	3.5	70	-	-	-	-	-	70	4.9%
<b>Total corporate</b>	<b>6.9</b>	<b>73</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>336</b>	<b>1,500</b>	<b>1,920</b>	<b>5.0%</b>
Non-recourse debt									
Utility scale	15.1	34	37	41	44	46	677	879	5.7%
Distributed generation	8.5	9	20	10	10	6	43	98	6.8%
Solar	14.4	44	57	51	53	53	720	977	5.9%
Wind	8.9	46	50	50	51	208	334	740	5.5%
<b>Total non-recourse</b>	<b>12.0</b>	<b>90</b>	<b>107</b>	<b>101</b>	<b>104</b>	<b>261</b>	<b>1,054</b>	<b>1,717</b>	<b>5.7%</b>
<b>Total borrowings</b>	<b>9.4</b>	<b>\$ 163</b>	<b>\$ 111</b>	<b>\$ 105</b>	<b>\$ 108</b>	<b>\$ 597</b>	<b>\$ 2,554</b>	<b>\$ 3,637</b>	<b>5.3%</b>
		4%	3%	3%	3%	16%	70%		

(1) Revolver is classified as current in 2018 because the majority has been paid off in Q2 2018. The remaining balance and future borrowings are eligible to be rolled over for the duration of facilities' term

# Contract Profile

The following table sets out our contracted generation over the next five years as a percentage of expected generation. We currently have a contracted profile of approximately 95% of future generation and our goal is to maintain this profile going forward.

For the Year ended December 31	2018	2019	2020	2021	2022
<b>Contracted</b>					
Solar	100%	100%	100%	100%	100%
Wind	93%	91%	86%	82%	80%
<b>TERP</b>	<b>95%</b>	<b>93%</b>	<b>90%</b>	<b>86%</b>	<b>85%</b>
<b>Uncontracted</b>					
Wind	7%	9%	14%	18%	20%
<b>TERP</b>	<b>5%</b>	<b>7%</b>	<b>10%</b>	<b>14%</b>	<b>15%</b>

Our portfolio has a weighted-average remaining contract duration of ~14 years. Over the next five years, contracts accounting for 10% of our expected generation expire. We are focused on securing long-term contracts to the extent these contracts expire.

The majority of our long-term power purchase agreements are with investment-grade counterparties. The composition of our counterparties under power purchase agreements is as follows:

- Public utilities: 70%
- Financial institutions: 21%
- Commercial and industrial customers: 5%
- Government institutions: 4%



## Appendix 1 - Reconciliation of Non-GAAP Measures

# Reconciliation of Non-GAAP Measures for the Three Months Ended March 31



(MILLIONS, EXCEPT AS NOTED)	Three Months Ended March 31, 2018				Three Months Ended March 31, 2017			
	Solar	Wind	Corp	Total	Solar	Wind	Corp	Total
<b>Revenue</b>	<b>\$60</b>	<b>\$68</b>	<b>\$0</b>	<b>\$128</b>	<b>\$66</b>	<b>\$85</b>	<b>\$0</b>	<b>\$151</b>
Unrealized (gain) loss on commodity contract derivatives, net (a)	-	2	-	2	-	(2)	-	(2)
Amortization of favorable and unfavorable rate revenue contracts, net (b)	1	8	-	9	2	8	-	10
Other non-cash items (c)	-	-	-	-	(3)	-	-	(3)
Adjustment for asset sales	-	-	-	-	(7)	-	-	(7)
<b>Adjusted revenues</b>	<b>\$61</b>	<b>\$78</b>	<b>\$0</b>	<b>\$139</b>	<b>\$58</b>	<b>\$91</b>	<b>\$0</b>	<b>\$149</b>
Direct operating costs (d)	(12)	(24)	(7)	(43)	(11)	(26)	(9)	(46)
<b>Adjusted EBITDA</b>	<b>\$49</b>	<b>\$54</b>	<b>(\$7)</b>	<b>\$96</b>	<b>\$47</b>	<b>\$65</b>	<b>(\$9)</b>	<b>\$103</b>
Non-operating general and administrative expenses (e)	-	-	(18)	(18)	-	-	(25)	(25)
Stock-based compensation expense	-	-	-	-	-	-	(3)	(3)
Acquisition and related costs	-	-	(4)	(4)	-	-	-	-
Depreciation, accretion and amortization expense (f)	(30)	(46)	-	(76)	(29)	(41)	(1)	(71)
Impairment charges	(15)	-	-	(15)	-	-	-	-
Interest expense, net	(15)	(11)	(28)	(54)	(20)	(20)	(28)	(68)
Income tax benefit	-	-	1	1	-	-	1	1
Adjustment for asset sales	-	-	-	-	3	-	-	3
Other non-cash or non-operating items (g)	(1)	(4)	(1)	(6)	5	1	(2)	4
<b>Net (loss) income</b>	<b>(\$12)</b>	<b>(\$7)</b>	<b>(\$57)</b>	<b>(\$76)</b>	<b>\$6</b>	<b>\$5</b>	<b>(\$67)</b>	<b>(\$56)</b>

(MILLIONS, EXCEPT AS NOTED)	Three Months Ended March 31, 2018				Three Months Ended March 31, 2017			
	Solar	Wind	Corp	Total	Solar	Wind	Corp	Total
<b>Adjusted EBITDA</b>	<b>\$49</b>	<b>\$54</b>	<b>(\$7)</b>	<b>\$96</b>	<b>\$47</b>	<b>\$65</b>	<b>(\$9)</b>	<b>\$103</b>
Fixed management fee	-	-	(2)	(2)	-	-	-	-
Variable management fee	-	-	(1)	(1)	-	-	-	-
Adjusted interest expense (h)	(14)	(11)	(25)	(50)	(14)	(20)	(26)	(60)
Levelized principal payments (i)	(12)	(12)	-	(24)	(12)	(13)	-	(25)
Cash distributions to non-controlling interests (j)	(3)	(2)	-	(5)	(4)	(6)	-	(10)
Sustaining capital expenditures (k)	-	(2)	-	(2)	-	-	-	-
Other (l)	3	8	-	11	4	7	-	11
<b>Cash available for distribution (CAFD) (m)</b>	<b>\$23</b>	<b>\$35</b>	<b>(\$35)</b>	<b>\$23</b>	<b>\$21</b>	<b>\$33</b>	<b>(\$35)</b>	<b>\$19</b>

# Reconciliation of Non-GAAP Measures for the Three Months Ended March 31

- a) Represents unrealized loss (gain) 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.
- b) Represents net amortization of purchase accounting related to intangibles arising from past business combinations related to favorable and unfavorable rate revenue contracts.
- c) Primarily represents recognized deferred revenue related to the upfront sale of investment tax credits.
- d) In the three months ended March 31, 2017, reclassifies \$2.3 million wind sustaining capital expenditure into direct operating costs, which will now be covered under new Full Service Agreement.
- e) Pursuant to the management services agreement, SunEdison agreed to provide or arrange for other service providers to provide management and administrative services to us. In the three months ended March 31, 2017, we accrued \$0.4 million of costs incurred for management and administrative services that were provided by SunEdison under the Management Services Agreement that were not reimbursed by TerraForm Power and were treated as an addback in the reconciliation of net income (loss) to Adjusted EBITDA. In addition, 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 income (loss) to Adjusted EBITDA. These items include extraordinary costs and expenses related primarily to restructuring, legal, advisory and contractor fees associated with the bankruptcy of SunEdison and certain of its affiliates (the "SunEdison bankruptcy") and investment banking, legal, third party diligence and advisory fees associated with the Brookfield transaction, dispositions and financings. The Company's normal general and administrative expenses, paid by Terraform Power, are the amounts shown below and were not added back in the reconciliation of net income (loss) to Adjusted EBITDA (\$ in millions):

Q1 2018	Q1 2017
\$7 M	\$9 M

- f) 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.
- g) Represents other non-cash 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, loss on investments and receivables with affiliate, loss on disposal of renewable energy facilities, and wind sustaining capital expenditure previously reclassified.
- h) Represents project-level and other interest expense and interest income attributed to normal operations. The reconciliation from Interest expense, net as shown on the Unaudited Condensed Consolidated Statement of Operations to adjusted interest expense applicable to CAFD is as follows:

\$ in millions	Q1 2018	Q1 2017
<b>Interest expense, net</b>	<b>(\$54)</b>	<b>(\$68)</b>
Amortization of deferred financing costs and debt discounts	3	5
Adjustment for asset sales	-	4
Other	1	(1)
<b>Adjusted interest expense</b>	<b>(\$50)</b>	<b>(\$60)</b>

# Reconciliation of Non-GAAP Measures for the Three Months Ended March 31 (Continued)

- i) Represents levelized project-level and other principal debt payments to the extent paid from operating cash.
- j) Represents cash distributions paid to non-controlling interests in our renewable energy facilities. The reconciliation from Distributions to non-controlling interests as shown on the Unaudited Condensed Consolidated Statement of Cash Flows to Cash distributions to non-controlling interests, net for the three months ended March 31, 2018 and 2017 is as follows:

\$ in millions	Q1 2018	Q1 2017
<b>Distributions to non-controlling interests</b>	<b>(\$6)</b>	<b>(\$10)</b>
Adjustment for non-operating cash distributions	1	-
<b>Cash distributions to non-controlling interests, net</b>	<b>(\$5)</b>	<b>(\$10)</b>

- k) Represents long-term average sustaining capex starting in 2018 to maintain reliability and efficiency of the assets.
- l) Represents other cash flows as determined by management to be representative of normal operations including, but not limited to, wind plant “pay as you go” contributions received from tax equity partners, interconnection upgrade reimbursements, major maintenance reserve releases or (additions), and releases or (postings) of collateral held by counterparties of energy market hedges for certain wind plants.
- m) CAFD in 2017 was recast as follows to present the levelized principal payments and adjusted interest expense in order to provide period to period comparisons that are consistent and more easily understood. In the twelve months ended December 31, 2017, CAFD remained \$88 million as reported previously.

\$ in millions	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017
<b>Cash available for distribution (CAFD) before debt service reported</b>	<b>\$104</b>	<b>\$120</b>	<b>\$106</b>	<b>\$91</b>	<b>\$421</b>
Levelized principal payments	(25)	(25)	(25)	(24)	(99)
Adjusted interest expense	(60)	(61)	(63)	(50)	(234)
<b>Cash available for distribution (CAFD), recast</b>	<b>\$19</b>	<b>\$34</b>	<b>\$18</b>	<b>\$17</b>	<b>\$88</b>



## Appendix 2 – Additional Information

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# Annualized Long-term Average Generation

GENERATION (GWh) <sup>(1)</sup>	Q1	Q2	Q3	Q4	Total
<b>Wind <sup>(2)</sup></b>					
Central Wind	779	664	445	762	2,650
Texas Wind	454	472	349	438	1,713
Hawaii Wind	66	80	87	74	307
Northeast Wind	324	227	175	297	1,023
	<b>1,623</b>	<b>1,443</b>	<b>1,056</b>	<b>1,571</b>	<b>5,693</b>
<b>Solar <sup>(3)</sup></b>					
NA Utility Solar	219	343	319	193	1,074
International Utility Solar	66	49	52	73	240
DG	114	182	174	101	571
	<b>399</b>	<b>574</b>	<b>545</b>	<b>367</b>	<b>1,885</b>
<b>Total</b>	<b>2,022</b>	<b>2,017</b>	<b>1,601</b>	<b>1,938</b>	<b>7,578</b>

- (1) LTA is calculated on an annualized basis from the beginning of the year, regardless of the acquisition or commercial operation date.
- (2) Wind Long Term Average Annual Generation is the expected average generation resulting from simulations using historical wind speed data normally from 1997 to 2016 (20 years), adjusted to the specific location and performance of the different wind farms.
- (3) Solar Long Term Average Annual Generation is the expected average generation resulting from simulations using historical solar irradiance level data normally from 1998 to 2016 (19 years), adjusted to the specific location and performance of the different sites.



# Calculation and Use of Non-GAAP Measures



Adjusted Revenue, Adjusted EBITDA and CAFD are supplemental 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 not necessarily be the same as those used by other companies. These non-GAAP measures have certain limitations, which are described below, and they should not be considered in isolation. We encourage you to review, and evaluate the basis for, each of the adjustments made to arrive at Adjusted Revenue, Adjusted EBITDA and CAFD.

## Calculation of Non-GAAP Measures

We define adjusted revenue as operating revenues, net, adjusted for non-cash items including unrealized gain/loss on derivatives, amortization of favorable and unfavorable rate revenue contracts, net and other non-cash revenue items.

We define adjusted EBITDA as net income (loss) plus depreciation, accretion and amortization, non-cash general and administrative costs, interest expense, income tax (benefit) expense, acquisition related expenses, and 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.

We define “cash available for distribution” or “CAFD” as adjusted EBITDA (i) minus cash distributions paid to non-controlling interests in our renewable energy facilities, if any, (ii) minus annualized scheduled interest and project level amortization payments in accordance with the related borrowing arrangements, (iii) minus average annual sustaining capital expenditures (based on the long-sustaining capital expenditure plans) which are recurring in nature and used to maintain the reliability and efficiency of our power generating assets over our long-term investment horizon, (iv) plus or minus operating items as necessary to present the cash flows we deem representative of our core business operations.

As compared to the preceding period, we revised our definition of CAFD to (i) exclude adjustments related to deposits into and withdrawals from restricted cash accounts, required by project financing arrangements, (ii) replace sustaining capital expenditures payment made in the year with the average annualized long-term sustaining capital expenditures to maintain reliability and efficiency of our assets, and (iii) annualized debt service payments. We revised our definition as we believe it provides a more meaningful measure for investors to evaluate our financial and operating performance and ability to pay dividends. For items presented on an annualized basis, we will present actual cash payments as a proxy for an annualized number until the period commencing January 1, 2018.

Furthermore, to provide investors with the most appropriate measures to assess the financial and operating performance of our existing fleet and the ability to pay dividends in the future, we have excluded results associated with our UK solar and Residential portfolios, which were sold in 2017, from adjusted revenue, EBITDA and CAFD reported for all periods.

## 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 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 and among us and our peer companies 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 goodwill 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.

We disclose CAFD because we believe cash available for distribution is useful to investors in evaluating our operating performance and because securities analysts and other stakeholders analyze CAFD as a measure of our financial and operating performance and our ability to pay dividends. CAFD is not a measure of liquidity or profitability, nor is it indicative of the funds needed by us to operate our business. CAFD has certain limitations, such as the fact that CAFD includes all of the adjustments and exclusions made to Adjusted EBITDA described above.

The adjustments made to Adjusted EBITDA and CAFD 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 judgment, and the presentation of Adjusted EBITDA and CAFD 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 it allows 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.

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