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): August 14, 2018 (August 13, 2018)

TerraForm Power, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-36542**	**46-4780940**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(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 (see General Instruction A.2 below):

☐ 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))

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 2.02 Results of Operations and Financial Condition.

On August 13, 2018, TerraForm Power, Inc. ("TerraForm Power") issued a press release announcing the reporting of its financial results for the quarter ended June 30, 2018. The press release also reported certain financial and operating metrics of TerraForm Power as of or for the quarters ended June 30, 2018 and 2017. A copy of the press release is furnished with this Current Report on Form 8-K as Exhibit 99.1.

On August 13, 2018, TerraForm Power also posted presentation materials to the Investors section of its website at www.terraformpower.com, which were made available in connection with a previously announced August 14, 2018 investor conference call. A copy of the presentation is furnished herewith as Exhibit 99.2.

On August 13, 2018, TerraForm Power also posted a letter to shareholders to the Investors section of its website at www.terraformpower.com. A copy of the letter is furnished herewith as Exhibit 99.3.

In the attached press release, presentation, and letter, TerraForm Power discloses items not prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), or non-GAAP financial measures (as defined in Regulation G promulgated by the U.S. Securities and Exchange Commission). A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures is contained in the attached press release and presentation.

The information in this Current Report on Form 8-K (including the exhibits attached hereto) 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 of that Section. The information in this Current Report on Form 8-K (including the exhibits attached hereto) shall not be incorporated by reference into any filing or other document under the Securities Act of 1933, as amended, 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. Except for historical information contained in this Form 8-K and the press release, presentation, and letter attached as exhibits hereto, this Form 8-K and the press release, presentation, and letter contain forward-looking statements which involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. Please refer to the cautionary note in the press release and presentation regarding these forward-looking statements.

Item 9.01 Financial Statement and Exhibits.
(d) *Exhibits*

Exhibit No.	Description
99.1	Press release, dated August 13, 2018, titled "TerraForm Power Reports Second Quarter 2018 Financial Results"
99.2	Presentation materials, dated August 13, 2018, titled "Q2 2018 Supplemental Information"
99.3	Letter to Shareholders, dated August 13, 2018

SIGNATURES

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: August 14, 2018

By:	/s/ Matthew Berger
Name:	Matthew Berger
Title:	Chief Financial Officer

Exhibit 99.1

TerraForm Power Reports Second Quarter 2018 Results

NEW YORK, NY, Aug. 13, 2018 (GLOBENEWSWIRE) -- TerraForm Power, Inc. (Nasdaq: TERP) ("TerraForm Power") today reported financial results for the three months ended June 30, 2018.

Recent Highlights

- Settled our tender offer and minority interest squeeze out of Saeta Yield S.A. ("Saeta"), increasing ownership to 100%
- Executed an 11-year Framework Agreement with an affiliate of General Electric Company ("GE") to provide us with full-wrap, long-term service agreements ("LTSAs") for turbine operations and maintenance as well as other balance of plant services for each project in our 1.6 GW North American wind fleet
- Pursuant to a back-stop agreement with our sponsor Brookfield Asset Management ("Brookfield"), issued $650 million in equity to fund the Saeta acquisition
- Made progress executing the ~$350 million non-recourse debt component of our permanent financing plan for the Saeta acquisition, including closing the first project financing of certain of our unencumbered assets yielding net proceeds of ~$83 million
- Declared a Q3 2018 dividend of $0.19 per share, implying $0.76 per share on an annual basis
- Authorized an ~$111 million share repurchase program

"Following the completion of the Saeta acquisition, we have a clear path to meet our dividend growth targets of 5% to 8% per annum through 2022, while maintaining our payout ratio range of 80% to 85% of CAFD, driven primarily by margin improvements from our existing assets and accretion from the Saeta acquisition," said John Stinebaugh, CEO of TerraForm Power. "Furthermore, with the execution of the Framework Agreement with GE, we will leverage GE's proprietary technology to increase production from our wind fleet, and we have locked-in our cost savings target from operations."

Results

$ in millions, except per share amounts	3 Months Ended 6/30/2018	3 Months Ended 6/30/2017
Generation (GWh) [1,2]	1,912	1,955
Net Loss	$ (28)	$ (2)
Earnings (Loss) per Share [3]	$ (0.13)	$ 0.08
Adjusted EBITDA [2,3,4]	$ 128	$ 117
CAFD [2,3 4]	$ 30	$ 25
per Share [2,3,4,5]	$ 0.19	$ 0.18

[1] Excludes Saeta's results.
[2] Adjusted for the sale of our UK solar and Residential portfolios.
[3] Includes Saeta's results effective June 12, 2018.
[4] Non-GAAP measures. See the "Reconciliation of Non-GAAP Measures" section for additional information. Amounts in 2017 adjusted for sale of our UK and Residential portfolios.
[5] Loss per share is calculated using a weighted average diluted Class A common stock shares outstanding. CAFD per share is calculated using a weighted average diluted Class A common stock and weighted average Class B common stock shares outstanding. For three months ended June 30, 2018, weighted average diluted Class A common stock shares outstanding totaled 161.6 million, including insurance of 61 million to affiliates (three months ended June 30, 2017: 92.7 million). For three months ended June 30, 2018, there were no weighted average Class B common stock shares outstanding (three months ended June 30, 2017: 48.2 million).

Operations

In early August, we executed an 11-year Framework Agreement with an affiliate of GE to provide us with LTSAs for turbine operations and maintenance as well as other balance of plant services for our 1.6 GW North American wind fleet, subject to customary closing conditions and consents. The LTSAs will leverage GE's proprietary technology to improve and optimize turbine performance in order to increase production from our wind fleet. The LTSAs include a combination of resource-adjusted production guarantees and availability guarantees for all of our turbines, which are designed to improve upon historical resource-adjusted production levels and are consistent with our long-term average generation targets, once fully implemented after a transition period of nine to twelve months. Furthermore, the LTSAs lock in cost savings at an amount that is consistent with achieving our targeted cost savings and is ~$20 million less than the comparable amount for our wind fleet in 2017. While there will be a modest amount of transition costs and downtime to implement the LTSAs, we expect to begin realizing cost savings in the first half of 2019, ahead of our stated goal of phasing in these operational savings over two to three years.

We continue to make progress on our solar performance improvement plan, with a goal of increasing energy production to levels that are consistent with our long-term average generation target. As of now, we have completed infrared scans of most of our solar fleet to identify issues that are negatively impacting performance at the asset level and opportunities to increase production. Our goal is to implement remediation plans for all assets by the end of the first quarter of next year so that we can realize increased production in 2019.

As of July, we are pleased to report that we have relocated our employees to our headquarters in New York City. Nearly all senior and mid-level positions have been filled, and we expect that most contract workers will be rolling off by the end of the third quarter. With the close of Saeta acquisition, we will utilize our new office in Madrid, Spain, as our platform for growth in Europe.

Growth Initiatives

In our Corporate Profile, we identify approximately $500 million of organic investment opportunities within our existing portfolio of assets. These opportunities include repowerings and expansions of our wind and solar assets. We also have opportunities to buy-out minority partners that own interests in our projects, including options to buyout tax equity investors after a certain number of years that are typically at fair market value. Finally, in conjunction with previous acquisitions, we have 500 MW of rights of first offer to acquire projects owned by third parties.

During the second quarter, we progressed a number of these organic growth initiatives. We entered into a letter of intent to work exclusively with a local developer on an expansion of our existing Tinkham Hill Project in Massachusetts. The 2.5 MW expansion project is contiguous to our existing solar farm and is projected to yield a levered return at the high end of our target range with substantial completion expected by year end. We also closed the previously announced acquisition of a 6 MW portfolio of operating distributed solar generation assets located in California and New Jersey pursuant to a right of first offer with a third party. Expected returns of this investment are in-line with our targeted equity returns, with potential upside from executing our business plan. In addition, in July, we executed a buyout of a tax equity partner in a portfolio of solar projects. The initial $2 million transaction is expected to yield strong returns well in excess of currently available third-party market transactions.

Saeta Integration

Following the settlement of our tender offer whereby we acquired 95% of Saeta, we closed on the minority squeeze-out on July 2nd, increasing our ownership to 100%. Importantly, we expect to immediately integrate Saeta into Terraform Power and realize synergies from the transaction. At the outset, we have identified cost savings as a result of eliminating public company costs as well as potential reductions in O&M expenses. Similar to TerraForm Power's North American assets, we believe there will be opportunities to renegotiate some of Saeta's outsource contracts over the next few years and realize cost savings. We believe these two opportunities would yield up to €5 million of annual savings.

Financial Results

During the second quarter, our portfolio performed slightly below expectations, delivering Adjusted EBITDA, Net Loss and CAFD of $128 million, $28 million and $30 million, respectively. This represents an increase in Adjusted EBITDA of $11 million, an increase in Net Loss of $26 million, and an increase in CAFD of $5 million, compared to the same period last year. The increase in Adjusted EBITDA was attributable to the contribution from Saeta and increased generation from our solar business, primarily due to improved resource. These factors were partially offset by a decrease in production from our wind assets and lower net pricing in Texas. The increase in Net Loss was driven by a gain realized from the sale of most of our UK portfolio in the second quarter of last year. In addition to the increase in Adjusted EBITDA, CAFD was also positively impacted by interest expense savings.

In the second quarter, our North American wind generation was lower than expected, whereas production from our North American solar fleet was largely consistent with expectations. Wind production was impacted by greater than normal maintenance, including blade inspections and repairs as well as some residual impacts related to the Raleigh wind turbine outage. Going forward, the LTSAs with GE are expected to provide us with protection against operational issues such as these.

Balance Sheet

Following the closing of the Saeta acquisition, Moody's upgraded our corporate credit rating from B1 to Ba3. To support its upgrade, Moody's specifically cited the upsizing of the equity issuance to fund the Saeta acquisition to $650 million. This is expected to allow TerraForm Power to reduce its reliance on corporate debt and improve key credit metrics, including reducing its pro forma corporate debt-to-cash flow ratio towards its 4.0x to 5.0x target range.

In May, we repriced our $350 million Term Loan B at a 75-basis point reduction in the spread to LIBOR plus 200, yielding projected annual savings of approximately $2.5 million. Furthermore, we are making significant progress executing the ~$350 million non-recourse debt component of our permanent financing plan for the Saeta acquisition. We closed the first project financing of certain of our unencumbered assets in June, yielding net proceeds of ~$83 million. In addition, we have launched the second financing, which is expected to net ~$70 million and close later this summer. Over the next six months, we plan to execute two more project financings to raise the remainder of the ~$350 million of proceeds. Upon expected completion of the permanent financing plan for the Saeta acquisition, TerraForm Power would restore its corporate liquidity to ~$900 million and would have ample dry powder to continue pursuing opportunistic acquisitions originated by Brookfield.

Announcement of Quarterly Dividend

TerraForm Power today announced that, on August 13, 2018, its Board declared a quarterly dividend with respect to TerraForm Power's Class A common stock of $0. 19 per share. The dividend is payable on September 15, 2018, to shareholders of record as of September 1, 2018. This dividend represents TerraForm Power's third consecutive quarterly dividend payment under Brookfield's sponsorship.

Announcement of Share Repurchase Program

The Company today announced that its Board of Directors has authorized the repurchase of up to 5% of the Company's Class A common stock outstanding as of July 31, 2018, or approximately $111 million aggregate amount of Class A Common stock based on the closing price per share as of August 10, 2018, through July 31, 2019. The Company believes that in the event that its shares trade in a price range that does not fully reflect their intrinsic value, the acquisition of shares may represent an attractive use of available funds. The timing and the amount of any repurchases of shares will be determined by the Company's management based on its evaluation of market conditions and other factors. Repurchases of shares may also be made under a Rule 10b5-1 plan (which would permit shares to be repurchased when the Company might otherwise be precluded from doing so under insider trading laws), open market purchases, privately-negotiated transactions, block purchases or otherwise in accordance with applicable federal securities laws, including Rule 10b-18 of the Securities Exchange Act of 1934. The repurchase program may be suspended or discontinued at any time. The repurchase program does not obligate the Company to purchase any minimum number of shares. Any repurchased shares will be held by the Company as treasury shares. The Company expects to fund any repurchases from available liquidity.

About 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 3,600 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 exchange (Nasdaq: TERP). It is sponsored by Brookfield Asset Management, a leading global alternative asset manager with more than $285 billion of assets under management.

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

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Quarterly Earnings Call Details

Investors, analysts and other interested parties can access TerraForm Power's 2018 Second Quarter Results as well as the Letter to Shareholders and Supplemental Information on TerraForm Power's website at www. terraformpower. com.

The conference call can be accessed via webcast on August 14, 2018 at 9:00 a. m. Eastern Time at https://event. on24. com/wcc/r/1809381/80C80499C1187FB04F59EF2A526F97E3, or via teleconference at 1-866-521-4909 toll free in North America. For overseas calls please dial 1-647-427-2311, at approximately 8:50 a. m. Eastern Time. A replay of the webcast will be available for those unable to attend the live webcast.

Safe Harbor Disclosure

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," "opportunities," "goal," "guidance," "outlook," "initiatives," "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 TerraForm Power expects or anticipates will occur in the future are forward-looking statements. They may include estimates of expected cash available for distribution (CAFD), dividend growth, cost savings initiatives, earnings, Adjusted EBITDA, revenues, income, loss, 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 TerraForm Power's current expectations or predictions of future conditions, events, or results 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.

By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to, risks related to: 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 control 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; 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 in the future; operating and financial restrictions placed on us and our subsidiaries related to agreements governing indebtedness; risks related to our ability to successfully integrate the operations, technologies and personnel of Saeta; the regulated rate of return of renewable energy facilities in Spain, including Saeta’s wind and solar assets, a reduction of which could have a material negative impact on our results of operations; our ability to successfully identify, evaluate and consummate acquisitions; and our ability to integrate the projects we acquire from third parties, including Saeta, 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 most recent 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.

TERRAFORM POWER, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
Operating revenues, net	$ 179,888	$ 170,367	$ 307,435	$ 321,502
Operating costs and expenses:				
Cost of operations	49,805	32,205	87,128	66,543
Cost of operations - affiliate	—	3,427	—	9,025
General and administrative expenses	19,865	41,255	44,149	77,980
General and administrative expenses - affiliate	4,023	3,282	7,497	4,701
Acquisition-related costs	2,877	—	5,957	—
Acquisition-related costs - affiliate	6,025	—	6,630	—
Impairment of renewable energy facilities	—	1,429	15,240	1,429
Depreciation, accretion and amortization expense	69,994	63,222	135,584	124,209
Total operating costs and expenses	152,589	144,820	302,185	283,887
Operating income	27,299	25,547	5,250	37,615
Other expenses (income):				
Interest expense, net	50,892	68,205	104,446	136,517
Gain on sale of renewable energy facilities	—	(37,116)	—	(37,116)
Gain on foreign currency exchange, net	(2,078)	(5,204)	(1,187)	(4,617)
Other expenses, net	1,663	1,773	2,512	2,133
Total other expenses, net	50,477	27,658	105,771	96,917
Loss before income tax expense (benefit)	(23,178)	(2,111)	(100,521)	(59,302)
Income tax expense (benefit)	4,434	(588)	3,404	(1,157)
Net loss	(27,612)	(1,523)	(103,925)	(58,145)
Less: Net income attributable to redeemable non-controlling interests	4,680	6,362	2,658	5,369
Less: Net loss attributable to non-controlling interests	(10,955)	(17,491)	(168,042)	(42,323)
Net (loss) income attributable to Class A common stockholders	$ (21,337)	$ 9,606	$ 61,459	$ (21,191)
Weighted average number of shares:				
Class A common stock - Basic	161,568	92,257	154,890	92,165
Class A common stock - Diluted	161,568	92,745	154,905	92,165
(Loss) earnings per share:				
Class A common stock - Basic and diluted	$ (0. 13)	$ 0. 08	$ 0. 40	$ (0. 28)
Dividends declared per share:				
Class A common stock	$ 0. 19	$ —	$ 0. 38	$ —

TERRAFORM POWER, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	June 30, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 339,209	$ 128,087
Restricted cash	38,823	54,006
Accounts receivable, net	161,017	89,680
Prepaid expenses and other current assets	71,958	65,393
Due from affiliates	1,533	4,370
Total current assets	612,540	341,536
Renewable energy facilities, net, including consolidated variable interest entities of $3,196,816 and $3,273,848 in 2018 and 2017, respectively	6,634,926	4,801,925
Intangible assets, net, including consolidated variable interest entities of $797,844 and $823,629 in 2018 and 2017, respectively	2,033,854	1,077,786
Goodwill	114,780	—
Restricted cash	138,053	42,694
Other assets	166,672	123,080
Total assets	$ 9,700,825	$ 6,387,021
Liabilities, Redeemable Non-controlling Interests and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt and financing lease obligations, including consolidated variable interest entities of $57,069 and $84,691 in 2018 and 2017, respectively	$ 458,177	$ 403,488
Accounts payable, accrued expenses and other current liabilities, including consolidated variable interest entities of $42,157 and $34,199 in 2018 and 2017, respectively	217,134	88,538
Deferred revenue	1,735	17,859
Due to affiliates	9,205	3,968
Total current liabilities	686,251	513,853
Long-term debt and financing lease obligations, less current portion, including consolidated variable interest entities of $923,565 and $833,388 in 2018 and 2017, respectively	5,416,939	3,195,312
Long-term debt - affiliate	86,000	—
Deferred revenue, less current portion	12,780	38,074
Deferred income taxes	202,767	24,972
Asset retirement obligations, including consolidated variable interest entities of $100,022 and $97,467 in 2018 and 2017, respectively	170,892	154,515
Other long-term liabilities	151,949	37,923
Total liabilities	6,727,578	3,964,649
Redeemable non-controlling interests	86,549	34,660
Stockholders' equity:		
Class A common stock, $0. 01 par value per share, 1,200,000,000 shares authorized, 209,562,056 and 148,586,447 shares issued in 2018 and 2017, respectively, and 209,061,636 and 148,086,027 shares outstanding in 2018 and 2017, respectively	2,096	1,486
Additional paid-in capital	2,468,771	1,872,125
Accumulated deficit	(301,167)	(387,204)
Accumulated other comprehensive income	37,400	48,018
Treasury stock, 500,420 shares in 2018 and 2017	(6,712)	(6,712)
Total TerraForm Power, Inc. stockholders' equity	2,200,388	1,527,713
Non-controlling interests	686,310	859,999
Total stockholders' equity	2,886,698	2,387,712
Total liabilities, redeemable non-controlling interests and stockholders' equity	$ 9,700,825	$ 6,387,021

TERRAFORM POWER, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Cash flows from operating activities:		
Net loss	$ (103,925)	$ (58,145)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation, accretion and amortization expense	135,584	124,209
Amortization of favorable and unfavorable rate revenue contracts, net	19,567	19,524
Gain on sale of renewable energy facilities	—	(37,116)
Impairment of renewable energy facilities	15,240	1,429
Amortization of deferred financing costs and debt discounts	4,258	10,013
Unrealized (gain) loss on interest rate swaps	(8,777)	2,425
Unrealized (gain) loss on commodity contract derivatives, net	(5,292)	2,652
Recognition of deferred revenue	(929)	(6,069)
Stock-based compensation expense	73	5,200
Loss on extinguishment of debt, net	1,480	—
Loss on disposal of property, plant and equipment	6,764	—
Unrealized (gain) on foreign currency exchange, net	(5,684)	(4,336)
Deferred taxes	3,006	4,885
Other, net	344	4,922
Changes in assets and liabilities:		
Accounts receivable	(6,389)	(30,436)
Prepaid expenses and other current assets	18,321	212
Accounts payable, accrued expenses and other current liabilities	(7,748)	11,442
Due to affiliates	2,308	—
Other, net	7,284	4,476
Net cash provided by operating activities	75,485	55,287
Cash flows from investing activities:		
Capital expenditures	(10,333)	(5,068)
Proceeds from sale of renewable energy facilities, net of cash and restricted cash disposed	—	177,235
Proceeds from energy state rebate and reimbursable interconnection costs	6,006	22,188
Acquisition of Saeta business, net of cash and restricted cash acquired	(831,484)	—
Acquisition of renewable energy facilities from third parties, net of cash and restricted cash acquired	(4,105)	—
Net cash (used in) provided by investing activities	$ (839,916)	$ 194,355
Cash flows from financing activities:		
Proceeds from issuance of Class A common stock to affiliates	650,000	—
Proceeds from Sponsor Line - affiliate	86,000	—
Revolving credit facility draws	539,053	—
Revolving credit facility repayments	(157,244)	(55,000)
Term Loan principal payments	(1,750)	—
Borrowings of non-recourse long-term debt	103,639	79,835
Principal payments and prepayments on non-recourse long-term debt	(102,257)	(141,613)
Debt financing fees	(3,652)	(3,735)
Contributions from non-controlling interests in renewable energy facilities	7,685	6,935
Distributions to non-controlling interests in renewable energy facilities	(12,507)	(17,125)
Due to/from affiliates, net	3,214	(3,311)

TERRAFORM POWER, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Continued)

Net SunEdison investment		—		7,436
Payment of dividends		(56,016)		—
Recovery of related party short swing profit		2,994		—
Other financing activities		—		(133)
Net cash provided by (used in) financing activities		1,059,159		(126,711)
Net increase in cash, cash equivalents and restricted cash		294,728		122,931
Net change in cash, cash equivalents and restricted cash classified within assets held for sale		—		54,806
Effect of exchange rate changes on cash, cash equivalents and restricted cash		(3,430)		2,336
Cash, cash equivalents and restricted cash at beginning of period		224,787		682,837
Cash, cash equivalents and restricted cash at end of period	$	516,085	$	862,910
Supplemental Disclosures:				
Cash paid for interest	$	94,593	$	121,694
Cash paid for income taxes		—		—

Reconciliation 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 operating performance, as described further below.

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, Adjusted EBITDA and CAFD reported for all periods presented.

Use of Non-GAAP Measures

We disclose Adjusted Revenue because it presents the component of our operating revenue that relates to the energy production from our plants, and is, therefore, useful to investors and other stakeholders in evaluating the 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 non-cash 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.

The following tables present a reconciliation of Operating Revenues to Adjusted Revenue and net loss to Adjusted EBITDA to CAFD and has been adjusted to exclude asset sales in the UK and Residential portfolios:

	Three Months Ended June 30		Six Months Ended June 30	
(in thousands)	2018	2017	2018	2017
Adjustments to reconcile operating revenues, net to adjusted revenue				
Operating revenues, net	$ 179,888	$ 170,367	$ 307,435	$ 321,502
Unrealized (gain) loss on commodity contract derivatives, net (a)	(7,439)	4,883	(5,292)	2,652
Amortization of favorable and unfavorable rate revenue contracts, net (b)	9,750	9,697	19,567	19,524
Other non-cash items (c)	-	(1,683)	(415)	(5,116)
2017 incentive revenue recognition recast (m)	-	(8,601)	-	(10,232)
Adjustment for Asset Sales	-	(8,158)	-	(14,754)
Adjusted revenue	**$ 182,199**	**$ 166,505**	**$ 321,295**	**$ 313,576**
Direct operating costs (d)	(54,771)	(50,174)	(98,155)	(95,867)
Settled FX gain (loss)	213	120	101	281
Adjusted EBITDA	**$ 127,641**	**$ 116,451**	**$ 223,241**	**$ 217,990**
Non-operating general and administrative expenses (e)	(14,490)	(28,387)	(32,556)	(53,761)
Stock-based compensation expense	(73)	(2,690)	-	(5,200)
Acquisition and related costs	(8,902)	-	(12,587)	-
Depreciation, accretion and amortization expense (f)	(79,745)	(72,919)	(155,151)	(143,733)
Impairment charges	-	(1,429)	(15,240)	(1,429)
Gain on sale of U. K. renewable energy facilities	-	37,116	-	37,116
Interest expense, net	(50,892)	(68,205)	(104,446)	(136,517)
Income tax benefit	(4,434)	588	(3,404)	1,157
Adjustment for asset sales	-	6,508	-	9,655
Other non-cash or non-operating items (g)	3,283	11,444	(3,782)	16,577
Net loss	**$ (27,612)**	**$ (1,523)**	**$ (103,925)**	**$ (58,145)**

(in thousands)	Three Months Ended June 30 June 30		Six Months Ended June 30	
Reconciliation of adjusted EBITDA to CAFD	2018	2017	2018	2017
Adjusted EBITDA	**$ 127,641**	**$ 116,451**	**$ 223,241**	**$ 217,990**
Fixed management fee	(2,500)	-	(5,000)	-
Variable management fee	(1,153)	-	(1,940)	-
Adjusted interest expense (h)	(56,607)	(60,880)	(106,114)	(120,871)
Levelized principal payments (i)	(30,869)	(24,810)	(55,218)	(49,620)
Cash distributions to non-controlling interests (j)	(6,721)	(7,432)	(11,458)	(17,125)
Sustaining capital expenditures (k)	(1,954)	(315)	(3,804)	(559)
Adjustment for asset sales	-	21	-	(113)
Other (l)	2,363	1,869	13,085	12,803
Cash available for distribution (CAFD) (m)	**$ 30,200**	**$ 24,904**	**$ 52,792**	**$ 42,505**

a) 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.

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 June 30, 2017, reclassifies $4. 2 million wind sustaining capital expenditure into direct operating costs, which will now be covered under a new Full Service Agreement. In the six months ended June 30, 2017, reclassifies $6. 5 million wind sustaining capital expenditure into direct operating costs.

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 June 30, 2017, we accrued 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 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 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 loss to Adjusted EBITDA ($ in millions):

Q2 2018	Q2 2017	H1 2018	H1 2017
$7 M	$7 M	$14 M	$17 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	Q2 2018	Q2 2017	H1 2018	H1 2017
Interest expense, net	**$ (51)**	**$ (68)**	**$ (104)**	**$ (137)**
Amortization of deferred financing costs and debt discounts	1	5	4	10
Amortization of interest expense - Affiliate	1	-	1	-
Adjustment for asset sales	-	4	-	8
Fair value changes in interest rate swaps in Saeta	(8)	-	(8)	-
Other	1	(2)	1	(2)
Adjusted interest expense	**$ (56)**	**$ (61)**	**$ (106)**	**$ (121)**

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 June 30, 2018 and 2017 is as follows:

$ in millions	Q2 2018	Q2 2017	H1 2018	H1 2017
Distributions to non-controlling interests	**$ (7)**	**$ (7)**	**$ (13)**	**$ (17)**
Adjustment for non-operating cash distributions	-	-	1	-
Cash distributions to non-controlling interests, net	**$ (7)**	**$ (7)**	**$ (11)**	**$ (17)**

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, adjusted interest expense, and incentive revenue recognition recast to provide period to period comparisons that are consistent and more easily understood. The 2017 incentive revenue was recast based on an estimate in the same proportions as the 2018 phasing, which differs from the actual 2017 phasing due to the adoption of the revenue recognition standard. 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
Cash available for distribution (CAFD) before debt service reported	**$ 104**	**$ 120**	**$ 106**	**$ 91**	**$ 421**
Levelized principal payments	(25)	(25)	(25)	(24)	(99)
Adjusted interest expense	(60)	(61)	(63)	(50)	(234)
Incentive revenue recognition recast	(1)	(9)	1	9	-
Cash available for distribution (CAFD), recast	**$ 18**	**$ 25**	**$ 19**	**$ 26**	**$ 88**

Exhibit 99.2

TERRAFORM POWER

Q2 2018 Supplemental Information

Three Months Ended June 30, 2018

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Supplemental Information contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (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," "anticipate," "believe," "intend," "plan," "seek," "estimate," "predict," "project," "opportunities," "goal," "guidance," "outlook," "initiatives," "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, dividend growth, cost savings initiatives, earnings, revenues, income, loss, 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 in our most recent Annual Report on Form 10-K and any subsequent quarterly report on Form 10-Q. 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 control 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; 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 in the future; operating and financial restrictions placed on us and our subsidiaries related to agreements governing indebtedness; risks related to our ability to successfully integrate the operations, technologies and personnel of Saeta Yield, S.A.U.; the regulated rate of return of renewable energy facilities in Spain, including Saeta's wind and solar assets, a reduction of which could have a material negative impact on our results of operations; our ability to successfully identify, evaluate and consummate acquisitions; and our ability to integrate the projects we acquire from third parties, including Saeta, 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 most recent 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 Securities and Exchange Commission (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

This Supplemental Information contains references to Adjusted Revenue, Adjusted EBITDA and CAFD 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, Adjusted EBITDA and CAFD used by other companies. We believe that Adjusted Revenue, Adjusted EBITDA and CAFD are useful supplemental 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.

Activities Highlights

- Following the settlement of our tender offer whereby we acquired 95% of Saeta, we closed the minority squeeze-out on July 2nd, increasing our ownership of Saeta to 100%
- Executed an 11-year Framework Agreement with an affiliate of General Electric Company ("GE") to provide us with full-wrap, long-term service agreements ("LTSAs") for turbine operations and maintenance as well as other balance of plant services for each project in our 1.6 GW North American wind fleet. The LTSAs will leverage GE's proprietary technology to increase production from our wind fleet. The LTSAs will include a combination of resource-adjusted production guarantees and availability guarantees for all of our turbines, which are designed to improve upon historical resource-adjusted production levels and are consistent with our long-term average generation targets, once fully implemented after a transition period of 9 to 12 months. The LTSAs also lock in cost savings at an amount that is consistent with our cost savings target from operations and that is $20 million less than the comparable amount for our wind fleet in 2017. The balance of the total $25 million in operating cost savings is expected to be delivered in H2 2018
- Made significant progress executing the ~$350 million non-recourse debt component of our permanent financing plan for the Saeta acquisition, including closing the first project financing of certain of our unencumbered assets. This first financing yielded net proceeds of ~$83 million. We have launched the second financing which is expected to yield net proceeds of ~$70 million and close later this summer
- Pursuant to a back-stop agreement with our sponsor Brookfield Asset Management ("Brookfield"), issued $650 million in equity as part of our permanent financing plan for the Saeta acquisition
- Progressed a number of organic growth initiatives, including (1) closed the previously announced acquisition of a 6 MW portfolio of operating distributed solar generation assets located in California and New Jersey; (2) executed a $2 million buyout of a tax equity partner in a portfolio of solar projects, expecting to yield strong returns well in excess of currently available third-party market transactions; and (3) entering into a letter of intent to expand by 2.5MW our existing Tinkham Hill Project in Massachusetts
- Repriced $350 million Term Loan B at a 75 basis point reduction in the spread to LIBOR + 200, yielding projected annual savings of ~$2.5 million
- Approved quarterly dividend of $0.19 per share, $0.76 per share on an annualized basis – consistent with guidance

Q2 2018 HIGHLIGHTS (continued)

1,912 GWh
Generation

$30 million
CAFD

~$9 billion
Total Capitalization

Key Performance Metrics

(MILLIONS, EXCEPT AS NOTED)	Three months ended June 30 2018		2017	
LTA generation (GWh)[1]		**2,017**		2,017
Total generation (GWh)[1][3]		**1,912**		1,955
Adjusted Revenue[2][3][4]	$	**183**	$	167
Adjusted EBITDA[2][3][4]		**128**		117
Net loss[2]		**(28)**		(2)
CAFD[2][3][4]		**30**		25
Earnings (loss) per share[2]	$	**(0.13)**	$	0.08
CAFD per share[2][3][4][5]	$	**0.19**	$	0.18

(1) Generation excludes Saeta platform.
(2) Saeta results from June 12th forward are included in 2018 only.
(3) Adjusted for sale of our UK solar and Residential portfolios.
(4) 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.
(5) Loss per share is calculated using a weighted average diluted Class A common stock shares outstanding. CAFD per share is calculated using a weighted average diluted Class A common stock and weighted average Class B common stock shares outstanding. For three months ended June 30, 2018, weighted average diluted Class A common stock shares outstanding totaled 161.6 million, including insurance of 61 million to affiliates (three months ended June 30, 2017: 92.7 million). For three months ended June 30, 2018, there is no weighted average Class B common stock shares outstanding (three months ended June 30, 2017: 48.2 million).

Key Balance Sheet Metrics

(IN $ MILLIONS)	June 30 2018	Dec 31 2017
Total long-term debt	5,996	3,643
Total stockholders' equity and redeemable non-controlling interest	2,973	2,429
Total capitalization[1]	8,970	6,071

(1) Total capitalization is comprised of total stockholders' equity, redeemable non-controlling interests, and total long-term debt including current portion.

Performance Highlights

- During the second quarter, our portfolio performed slightly below expectations, delivering Adjusted EBITDA and CAFD of $128 million and $30 million, respectively, versus $117 million and $25 million , respectively, in Q2 2017
  - Adjusted EBITDA increased by $11 million largely attributable to the contribution from Saeta and increased generation from our solar business, offset by a decrease in production from our wind assets and lower net pricing in Texas
  - CAFD increased by $5 million primarily due to the Saeta acquisition and interest savings from corporate refinancing undertaken in Q4 2017
- Excluding Saeta, the total generation in Q2 2018 of 1,912 GWh, 2% lower than prior period, primarily due to on-going maintenance in our Central Wind portfolios. Including Saeta generation, total generation in Q2 2018 of 2,036 GWh
- Net loss of ($28) million was $26 million lower than Q2 2017 primarily due to gain on sale of U.K. renewable energy facilities in Q2 2017
- Total capitalization ~ $9 billion after funding Saeta acquisition

Our Business

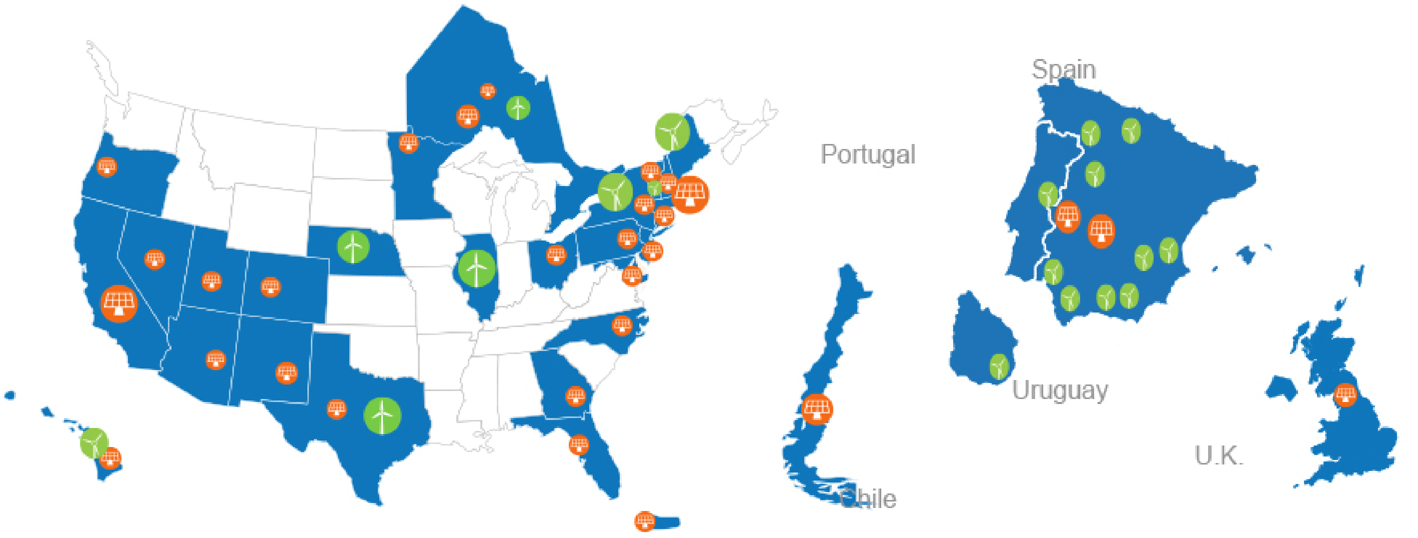
TerraForm Power's goal is to own and operate high-quality wind and solar generation assets in North America and Western Europe

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, we expect growth to be driven primarily by cost savings, increased production from our assets, accretion from Saeta acquisition, and organic investments
  - Opportunistic, value-oriented acquisitions are 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

Our Operations

Owner and operator of an over **3,600 MW diversified portfolio** of **high-quality wind and solar assets**, underpinned by **long-term contracts**



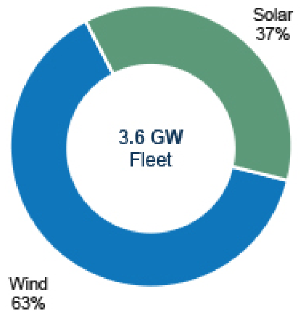
	Wind	Solar	Total
US	1,454 MW	900 MW	**2,354 MW**
International	856 MW	430 MW	**1,286 MW**
Total [1]	**2,310 MW**	**1,330 MW**	**3,640 MW**

1. Determined based on total Net MW after giving pro forma effect to the acquisition of Saeta.

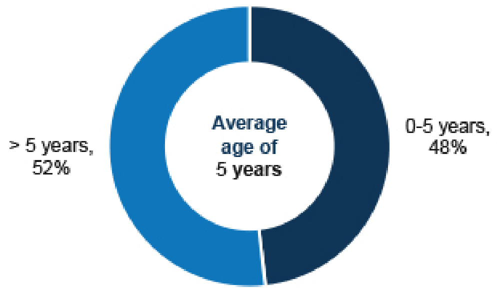
Portfolio of High Quality Assets with Significant Diversity

Contracted and regulated assets with significant resource diversity

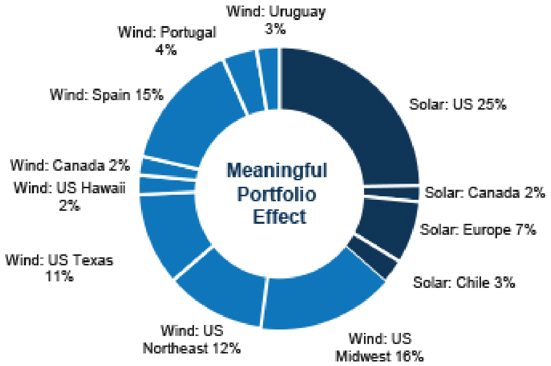
Large-Scale, Diversified Portfolio[1]



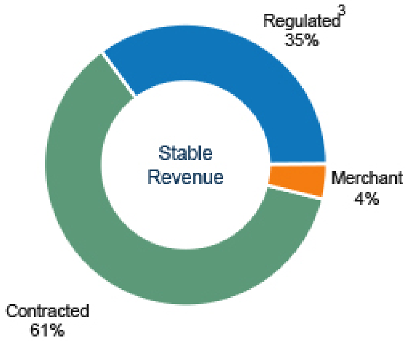
Recently Constructed[1]



Significant Resource Diversity[1]



Contracted and Regulated Revenue[2]



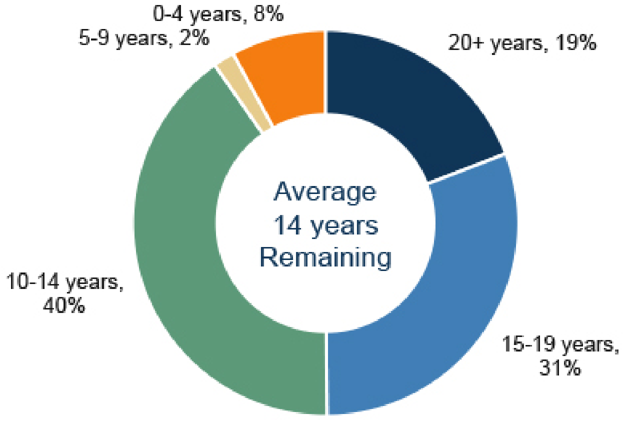
1. Determined based on Total Net MW after giving pro forma effect to the acquisition of Saeta.
2. Determined based on TERP projected 2018 revenue pro forma for Saeta acquisition.
3. Assets remunerated through the Spanish guaranteed return on deemed investment (RAB) regime (see Slide 19).

Long Term Stable Cash Flows

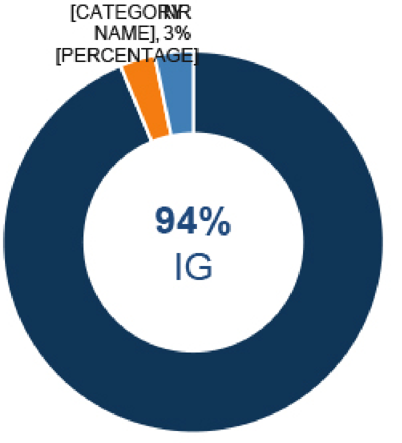
~14 years[1] of **contracted cash flow** with creditworthy offtakers

~96% of cash flows[2] are under long-term contract or regulatory framework[3]

Tenor of Offtake Contracts[1]



Creditworthy Investment Grade Offtakers[1]



1. Tenor of Offtake Contracts and Offtaker Credit Ratings are calculated based on Total Net MW after giving pro forma effect to the acquisition of Saeta, as of March 31, 2018. Offtaker Credit Rating indicates "IG" if rated as Investment Grade by either Moody's or S&P, "NR" if not rated by either S&P and Moody's, "< IG" if the former cases are not applicable and rated less than Investment Grade by either Moody's or S&P.
2. Determined based on TERP projected 2018 revenue pro forma for Saeta.
3. Assets remunerated through the Spanish guaranteed return on deemed investment (RAB) regime (see Slide 19).

Generation and Revenue

	(GWh)			(MILLIONS)			
	Actual Generation		LTA Generation	Operating Revenue, Net		Adjusted Revenue[1]	
	Q2 2018	Q2 2017	Q2	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Wind							
Central Wind	553	690	664	$ 25	$ 34	$ 34	$ 42
Texas Wind	497	429	472	$ 19	$ 6	$ 7	$ 9
Hawaii Wind	70	62	80	$ 13	$ 12	$ 13	$ 12
Northeast Wind	221	230	227	$ 15	$ 17	$ 19	$ 20
International Wind[2]	34	-	-	$ 4	$ -	$ 4	$ -
	1,375	**1,411**	**1,443**	**$ 76**	**$ 69**	**$ 77**	**$ 83**
Solar							
NA Utility Solar	338	327	343	$ 40	$ 37	$ 41	$ 38
International Utility Solar	53	46	49	$ 6	$ 6	$ 6	$ 6
DG[3]	180	171	182	$ 37	$ 50	$ 38	$ 40
	571	**544**	**574**	**$ 83**	**$ 93**	**$ 85**	**$ 84**
Regulated Spain[2]	**90**	-	-	**$ 21**	**$ -**	**$ 21**	**$ -**
Total adjusted for Asset Sales	**2,036**	**1,955**	**2,017**	**$ 180**	**$ 162**	**$ 183**	**$ 167**
Asset Sold	-	58	-	-	8	-	8
Total	**2,036**	**2,013**	**2,017**	**$ 180**	**$ 170**	**$ 183**	**$ 175**

(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.

(2) LTA generation exclude Saeta platform.

(3) Q2 2018 actual generation and LTA generation exclude 6 MW DG acquired at the end of June 2018.

- Long term average annual generation (LTA) is expected generation at the point of delivery net of all recurring losses and constraints. We expect that our wind and solar fleet will be able to produce at LTA on a run rate basis during 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 conditions and irradiance conditions will vary from one period to the next; however, we expect our facilities will produce electricity in-line with their LTA 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)	Three months ended June 30 2018	2017
Net loss		
Solar	27	73
Wind	(6)	(12)
Regulated Spain	12	-
Corporate	(61)	(63)
Total	$ (28)	$ (2)
Adjusted EBITDA		
Solar	71	69
Wind	48	55
Regulated Spain	16	-
Corporate	(7)	(7)
Total	$ 128	$ 117
CAFD		
Solar	43	41
Wind	17	16
Regulated Spain	7	-
Corporate	(37)	(32)
Total	$ 30	$ 25

Balance Sheet

(MILLIONS)	June 30, 2018	Dec 31, 2017
Total Assets		
Solar	2,824	2,897
Wind	4,251	3,401
Regulated Spain	2,459	-
Corporate	167	89
Total	9,701	$ 6,387
Total Liabilities		
Solar	1,163	1,145
Wind	1,175	884
Regulated Spain	1,916	-
Corporate	2,560	1,929
Total	6,814	$ 3,958
Total Equity and NCI		
Solar	1,661	1,752
Wind	3,076	2,517
Regulated Spain	543	-
Corporate	(2,393)	(1,840)
Total	2,887	$ 2,429

Operating Segments

Wind

Overview

- 1,759 MW of net capacity
- 25 Sites in diverse geographies
- Average remaining PPA life of 12 years
- Average offtaker credit rating of A2
- 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:

	Three months ended June 30			
(MILLIONS, UNLESS NOTED)		2018		2017
Capacity (MW)(1)		1,759		1,531
LTA Generation(2)		1,443		1,443
Generation (GWh)		1,375		1,411
Adjusted Revenue	$	77	$	83
Average Adj. Revenue per MWh	$	56	$	59

(1) Includes Portugal Wind and Uruguay Wind acquired from Saeta based on economic ownership.
(2) LTA generation excludes Saeta platform.

Wind (continued)

(MILLIONS, UNLESS NOTED)	Three months ended June 30 2018	2017
Adjusted revenue[1]	77	83
Direct operating costs	(29)	(28)
Adjusted EBITDA[1]	$ 48	$ 55
Adjusted interest expense	(11)	(20)
Levelized principal repayments	(13)	(14)
Distributions to NCI	(5)	(4)
Sustaining capital expenditures	(2)	(1)
Other	-	-
CAFD[1]	$ 17	$ 16
Adjusted EBITDA[1]	48	55
Interest expense	(11)	(22)
Depreciation and amortization	(44)	(42)
Other	1	(3)
Net (loss)[1]	$ (6)	(12)

(1) Includes Portugal Wind and Uruguay Wind acquired from Saeta.

	Actual Generation (GWh)		Average Adj. Revenue per MWh	
(MILLIONS, EXCEPT AS NOTED)	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Central Wind	553	690	$ 61	$ 62
Texas Wind	497	429	14	21
Hawaii Wind	70	62	184	185
Northeast Wind	221	230	85	83
International Wind[1]	34	-	118	-
Total	1,375	1,411	$ 56	$ 59

Performance Highlights

- Including acquired Saeta Wind assets in 2018, Adjusted EBITDA and CAFD were $48 million and $17 million, respectively, versus $55 million and $16 million, respectively, in Q2 2017
  - Adjusted EBITDA decreased $7 million versus Q2 2017, primarily due on-going maintenance activities in Central Wind, negative basis pricing in ERCOT, partially offset by acquired Saeta Wind assets in 2018
  - CAFD was $1 million higher than Q2 2017 due to refinancing of the MidCo term loan with corporate level debt, partially offset by the impacts to Adjusted EBITDA
- Net loss was ($6) million, $6 million better than Q2 2017, due to repayment of the MidCo term loan, partially offset by lower Adjusted EBITDA
- 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

Solar

Overview

- 1,081 MW of net capacity
- 521 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 June 30 2018	2017
Capacity (MW)	1,081	1,075
LTA Generation (GWh)(1)	574	574
Generation (GWh) (1)(2)	571	544
Adjusted Revenue (2)	$ 85	$ 84
Average Adj. Revenue per MWh(2)	$ 149	$ 154

(1) Q2 2018 actual generation and LTA generation exclude 6 MW DG acquired at the end of June 2018.

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

(MILLIONS, UNLESS NOTED)	Three months ended June 30 2018		2017
Adjusted revenue [1]	85		84
Direct operating costs [1]	(14)		(15)
Adjusted EBITDA [1]	$ 71	$	69
Adjusted interest expense [1]	(16)		(16)
Levelized principal repayments	(12)		(11)
Distributions to NCI	(2)		(3)
Other	2		2
CAFD [1]	$ 43	$	41
Adjusted EBITDA	71		69
Interest expense	(16)		(20)
Depreciation and amortization	(29)		(30)
Other	1		54
Net income	$ 27	$	73

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

	Actual Generation (GWh)		Average Adj. Revenue per MWh	
(MILLIONS, EXCEPT AS NOTED)	Q2 2018	Q2 2017	Q2 2018	Q2 2017
NA Utility Solar	338	327	$ 121	$ 116
International Utility Solar	53	46	120	128
DG	180	171	211	291
Total	571	544	$ 149	$ 154

Performance Highlights

- Adjusted EBITDA and CAFD were $71 million and $43 million, respectively, versus $69 million and $41 million, respectively, in Q2 2017
  - Adjusted EBITDA increased $2 million driven by greater volumes due to stronger resource in Utility, reduced curtailment in International Utility and increased SREC pricing in 2018, partially offset by SREC inventory monetization in Q2 2017
  - CAFD increased $2 million due to higher Adjusted EBITDA, and lower distributions to non-controlling interests versus Q2 2017. Project defaults in 2016 caused cash traps, which increased distributions to non-controlling interests in Q2 2017 as cash was released
- Net income of $27 million was $46 million lower than Q2 2017 primarily due to gain on sale of U.K. renewable energy facilities in 2017

Regulated Spain

Overview

- 751 MW of net capacity
- 21 Sites in diverse geographies
- Average remaining PPA life of 15 years
- Average offtaker credit rating of Baa1 (Government of Spain)

Contracted cash flows

- Substantially all generation is contracted with Iberian Electricity Market Operator / Spanish Electricity Tariff (Government of Spain)
- Revenue framework includes the sale of electricity to the wholesale market, a capacity payment sized to earn a regulated return as determined by the Spanish regulator, and a regulated operating payment for CSP Solar to cover higher cost of operations

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

(MILLIONS, UNLESS NOTED)	Three months ended June 30 2018
Capacity (MW)[1]	751
Generation (GWh)[1]	90
Adjusted Revenue[1]	$ 21
Average Adj. Revenue per MWh	$ 233

(1) Includes Regulated Solar and Regulated Wind acquired from Saeta based on economic ownership.

Regulated Spain (continued)

(MILLIONS, UNLESS NOTED)	Three months ended June 30 2018	
Revenue	$	21
Adjustments to revenue		-
Adjusted revenue		21
Direct operating costs		(5)
Adjusted EBITDA	$	16
Adjusted interest expense		(3)
Levelized principal repayments		(6)
CAFD	$	7
Adjusted EBITDA		16
Interest expense		5
Income taxes		(2)
Depreciation and amortization		(7)
Other		-
Net income	$	12

Performance Highlights

- Starting June 13th, 2018, Adjusted EBITDA and CAFD were $16 million and $7 million
- Net income was $12 million, including $8 million of positive change in the fair value of Saeta's interest rate swaps

Corporate

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

(MILLIONS, UNLESS NOTED)	Three months ended June 30 2018	2017
Direct operating costs	(7)	(7)
Adjusted EBITDA	$ (7)	$ (7)
Management fees	(4)	-
Adjusted interest expense	(26)	(25)
CAFD	$ (37)	$ (32)
Adjusted EBITDA	(7)	(7)
Interest expense	(29)	(26)
Income tax benefit	(2)	1
Acquisition and related costs	(9)	-
Non-operating general and administrative expenses	(14)	(28)
Other	-	(3)
Net loss	$ (61)	(63)

Performance Highlights

- Direct operating costs were in line with Q2 2017
- Interest expense was broadly in line with Q2 2017, primarily driven by the Q4 2017 refinancing of our high yield bonds with interest saving of ~200 bps, partially offset by interest expense on the $350 million Term Loan B issued in Q4 2017 to replace Midco debt within the Wind segment. The savings from the repricing of the Term Loan in May (spread reduction of ~75 bps), were offset by revolver and sponsor line draws to fund Saeta transaction
- Non-operating general and administrative expenses decreased by $14 million primarily driven by reductions in legal fees and consulting fees
- Net loss of ($61) million was broadly in line with Q2 2017

Liquidity

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 $728 million and $1,152 million, respectively, as of June 30, 2018:

(In thousands)	30-Jun-18		31-Dec-17	
Unrestricted corporate cash	$	67	$	47
Project-level distributable cash		39		21
Cash available to corporate		106		68
Credit facilities:				
Committed revolving credit facility		747		450
Drawn portion of revolving credit facilities		(451)		(60)
Revolving line of credit commitments		(88)		(103)
Undrawn portion of Sponsor Line		414		500
Available portion of credit facilities		622		787
Corporate liquidity	$	728	$	855
Other project-level unrestricted cash		243		60
Project-level restricted cash		177		97
Project-level credit commitments		5		3
Available capital	$	1,152	$	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.

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
Principal Repayments									
Corporate borrowings									
Notes	7.4	$ -	$ -	$ -	$ -	$ -	$ 1,500	$ 1,500	5.1%
Term Loan	4.4	2	4	4	4	336	-	348	4.0%
Revolver	3.3	-	-	-	442	-	-	442	5.0%
Total corporate	6.1	2	4	4	446	336	1,500	2,290	4.9%
Non-recourse debt									
Utility scale	17.5	24	31	35	37	40	633	798	6.0%
Distributed generation	6.4	11	29	19	19	16	157	253	4.9%
Solar	28.8	35	60	54	57	56	790	1,051	10.5%
Wind	9.7	35	72	74	76	230	521	1,008	5.2%
Regulated Spain	6.2	55	116	114	120	126	1,033	1,563	4.2%
Total non-recourse	13.7	125	248	242	252	411	2,344	3,622	6.3%
Total borrowings	10.8	$ 127	$ 252	$ 245	$ 697	$ 747	$ 3,844	$ 5,912	5.8%
		2%	4%	4%	12%	13%	65%		

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 97% of future generation and our goal is to maintain this profile going forward, increasing 2% vs Q1 2018 due to fully contracted profile in acquired assets.

For the Year ended June 30	2018	2019	2020	2021	2022
Contracted					
Solar	100%	100%	100%	100%	100%
Wind	94%	92%	88%	84%	83%
Regulated Spain	100%	100%	100%	100%	100%
TERP	**97%**	**96%**	**94%**	**92%**	**92%**
Uncontracted					
Wind	6%	8%	12%	16%	17%
TERP	**3%**	**4%**	**6%**	**8%**	**8%**

Our portfolio has a weighted-average remaining contract duration of ~14 years. Over the next five years, contracts accounting for 8% of our expected generation expire. We are focused on securing long-term contracts through recontracting or repowering as 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: 52%
- Government institutions: 28%
- Financial institutions: 16%
- Commercial and industrial customers: 4%

Appendix 1 - Reconciliation of Non-GAAP Measures

Reconciliation of Non-GAAP Measures for the Three and Six Months Ended June 30

	Three Months Ended June 30, 2018					Three Months Ended June 30, 2017				Six Months Ended June 30, 2018					Six Months Ended June 30, 2017			
(MILLIONS, EXCEPT AS NOTED)	Solar	Wind	Regulated Spain	Corp	Total	Solar	Wind	Corp	Total	Solar	Wind	Regulated Spain	Corp	Total	Solar	Wind	Corp	Total
Revenue	$ 83	$ 76	$ 21	$ -	$ 180	$ 101	$ 69	$ -	$ 170	$ 143	$ 143	$ 21	$ -	$ 307	$ 168	$ 154	$ -	$ 322
Unrealized (gain) loss on commodity contract derivatives, net (a)	-	(7)	-	-	(7)	-	5	-	5	-	(5)	-	-	(5)	-	3	-	3
Amortization of favorable and unfavorable rate revenue contracts, net (b)	2	8	-	-	10	2	8	-	10	4	16	-	-	20	4	16	-	20
Other non-cash items (c)	-	-	-	-	-	(2)	-	-	(2)	-	-	-	-	-	(5)	-	-	(5)
2017 Incentive revenue recognition recast (m)	-	-	-	-	-	(9)	1	-	(8)	-	-	-	-	-	(11)	-	-	(11)
Adjustment for asset sales	-	-	-	-	-	(8)	-	-	(8)	-	-	-	-	-	(15)	-	-	(15)
Adjusted revenues	$ 85	$ 77	$ 21	$ -	$ 183	$ 84	$ 83	$ -	$ 167	$ 147	$ 154	$ 21	$ -	$ 322	$ 141	$ 173	$ -	$ 314
Direct operating costs (d)	(14)	(29)	(5)	(7)	(55)	(15)	(28)	(7)	(50)	(26)	(53)	(5)	(14)	(98)	(25)	(54)	(17)	(96)
Settled FX gain / (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	$ 71	$ 48	$ 16	$ (7)	$ 128	$ 69	$ 55	$ (7)	$ 117	$ 121	$ 101	$ 16	$ (14)	$ 224	$ 116	$ 119	$ (17)	$ 218
Non-operating general and administrative expenses (e)	-	-	-	(14)	(14)	-	-	(28)	(28)	-	-	-	(33)	(33)	-	-	(54)	(54)
Stock-based compensation expense	-	-	-	-	-	-	-	(3)	(3)	-	-	-	-	-	-	-	(5)	(5)
Acquisition and related costs, including affiliate	-	-	-	(9)	(9)	-	-	-	-	-	-	-	(13)	(13)	-	-	-	-
Depreciation, accretion and amortization expense (f)	(29)	(44)	(7)	-	(80)	(30)	(42)	(1)	(73)	(59)	(89)	(7)	-	(155)	(59)	(84)	(1)	(144)
Impairment charges	-	-	-	-	-	(1)	-	-	(1)	(15)	-	-	-	(15)	(1)	-	-	(1)
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of U.K. renewable energy facilities	-	-	-	-	-	37	-	-	37	-	-	-	-	-	37	-	-	37
Interest expense, net	(16)	(11)	5	(29)	(51)	(20)	(22)	(26)	(68)	(30)	(22)	5	(57)	(104)	(39)	(43)	(55)	(137)
Income tax benefit (expense)	-	-	(2)	(2)	(4)	-	-	1	1	-	-	(2)	(1)	(3)	-	-	1	1
Adjustment for asset sales	-	-	-	-	-	7	-	-	7	-	-	-	-	-	10	-	-	10
Other non-cash or non-operating items (g)	1	1	-	-	2	11	(3)	1	9	(2)	(3)	-	-	(5)	16	1	-	17
Net income (loss)	$ 27	$ (6)	$ 12	$ (61)	$ (28)	$ 73	$ (12)	$ (63)	$ (2)	$ 15	$ (13)	$ 12	$ (118)	$ (104)	$ 80	$ (7)	$ (131)	$ (58)

	Three Months Ended June 30, 2018					Three Months Ended June 30, 2017				Six Months Ended June 30, 2018					Six Months Ended June 30, 2017			
(MILLIONS, EXCEPT AS NOTED)	Solar	Wind	Regulated Spain	Corp	Total	Solar	Wind	Corp	Total	Solar	Wind	Regulated Spain	Corp	Total	Solar	Wind	Corp	Total
Adjusted EBITDA	$ 71	$ 48	$ 16	$ (7)	$ 128	$ 69	$ 55	$ (7)	$ 117	$ 121	$ 101	$ 16	$ (14)	$ 224	$ 116	$ 119	$ (17)	$ 218
Fixed management fee	-	-	-	(3)	(3)	-	-	-	-	-	-	-	(5)	(5)	-	-	-	-
Variable management fee	-	-	-	(1)	(1)	-	-	-	-	-	-	-	(2)	(2)	-	-	-	-
Adjusted interest expense (h)	(16)	(11)	(3)	(26)	(56)	(16)	(20)	(25)	(61)	(30)	(22)	(3)	(51)	(106)	(30)	(40)	(51)	(121)
Levelized principal payments (i)	(12)	(13)	(6)	-	(31)	(11)	(14)	-	(25)	(24)	(25)	(6)	-	(55)	(23)	(26)	-	(49)
Cash distributions to non-controlling interests (j)	(2)	(5)	-	-	(7)	(3)	(4)	-	(7)	(4)	(7)	-	-	(11)	(7)	(10)	-	(17)
Sustaining capital expenditures (k)	-	(2)	-	-	(2)	-	(1)	-	(1)	-	(4)	-	-	(4)	-	(1)	-	(1)
Adjustment for asset sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (l)	2	-	-	-	2	2	-	-	2	4	8	-	-	12	6	7	-	13
Cash available for distribution (CAFD) (m)	$ 43	$ 17	$ 7	$ (37)	$ 30	$ 41	$ 16	$ (32)	$ 25	$ 67	$ 51	$ 7	$ (72)	$ 53	$ 62	$ 49	$ (68)	$ 43

Reconciliation of Non-GAAP Measures for the Three and Six Months Ended June 30

a) 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.

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 June 30, 2017, reclassifies $4.2 million wind sustaining capital expenditure into direct operating costs, which will now be covered under a new Full Service Agreement. In the six months ended June 30, 2017, reclassifies $6.5 million wind sustaining capital expenditure into direct operating costs.

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 June 30, 2017, we accrued 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 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 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 loss to Adjusted EBITDA ($ in millions):

Q2 2018	Q2 2017	H1 2018	H1 2017
$7 M	$7 M	$14 M	$17 M

e) 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.

f) 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.

g) 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	Q2 2018	Q2 2017	H1 2018	H1 2017
Interest expense, net	**($51)**	**($68)**	**($104)**	**($137)**
Amortization of deferred financing costs and debt discounts	1	5	4	10
Amortization of interest expense - Affiliate	1	-	1	-
Adjustment for asset sales	-	4	-	8
Fair value changes in interest rate swaps in Saeta	(8)	-	(8)	-
Other	1	(2)	1	(2)
Adjusted interest expense	**($56)**	**($61)**	**($106)**	**($121)**

Reconciliation of Non-GAAP Measures for the Three and Six Months Ended June 30 (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 June 30, 2018 and 2017 is as follows:

$ in millions	Q2 2018	Q2 2017	H1 2018	H1 2017
Distributions to non-controlling interests	**($7)**	**($7)**	**($13)**	**($17)**
Adjustment for non-operating cash distributions	-	-	1	-
Cash distributions to non-controlling interests, net	**($7)**	**($7)**	**($11)**	**($17)**

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, adjusted interest expense, and incentive revenue recognition recast to provide period to period comparisons that are consistent and more easily understood. The 2017 incentive revenue was recast based on an estimate in the same proportions as the 2018 phasing, which differs from the actual 2017 phasing due to the adoption of the revenue recognition standard. 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
Cash available for distribution (CAFD) before debt service reported	**$104**	**$120**	**$106**	**$91**	**$421**
Levelized principal payments	(25)	(25)	(25)	(24)	(99)
Adjusted interest expense	(60)	(61)	(63)	(50)	(234)
Incentive revenue recognition recast	(1)	(9)	1	9	-
Cash available for distribution (CAFD), recast	**$18**	**$25**	**$19**	**$26**	**$88**

Appendix 2 – Additional Information

Annualized Long-term Average Generation

GENERATION (GWh) (1)	Q1	Q2	Q3	Q4	Total
Wind (2)					
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
	1,623	**1,443**	**1,056**	**1,571**	**5,693**
Solar (3)					
NA Utility Solar	219	343	319	193	1,074
International Utility Solar	66	49	52	73	240
DG	114	182	174	101	571
	399	**574**	**545**	**367**	**1,885**
Total (4)	**2,022**	**2,017**	**1,601**	**1,938**	**7,578**

(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.

(4) Total LTA generation does not include Saeta due to the acquisition closing at the end of Q2 2018.

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.

NASDAQ:

TERP

http://www.terraformpower.com

Exhibit 99.3

Letter to Shareholders

Now that we have completed the acquisition of Saeta, TerraForm Power's portfolio stands at over 3,600 MW – 40% larger than when Brookfield assumed control of the company late last year. Our high-quality wind and solar assets span 12 geographic regions. With an average asset age of five years and with over 95% of our production contracted for an average of 14 years, our fleet is young and our cashflows are stable.

Going forward, we have a clear path to deliver annual dividend per share growth of 5% to 8% through 2022, while maintaining our target payout ratio of 80% to 85% of CAFD. As detailed in our recently updated corporate profile that is available on our website, this path is built upon four pillars:

- Cost Savings: ~$25 million in corporate overhead and operations and maintenance (O&M) savings, fully-achieved on a run-rate basis by the first half of 2019;
- Revenue Improvement: ~$20 million in revenue improvement by increasing the performance of our wind and solar fleets to our long-term average generation targets;
- Organic and Add-on Acquisitions: ~$30 million in CAFD from investments in our existing fleet and a modest amount of add-on acquisitions, funded by retained cashflow, project-level debt, and the potential sale of noncore assets; and
- Accretion from the Saeta Acquisition.

Importantly, since execution of our business plan does not require any material equity issuance, our ability to achieve our growth target and enhance shareholder value remains in our own hands – independent of equity market dislocations.

Operations

In early August, we executed an 11-year Framework Agreement with an affiliate of GE to provide us with Long Term Service Agreements ("LTSAs") for turbine operations and maintenance as well as other balance of plant services for our 1.6 GW North American wind fleet, subject to customary closing conditions and consents. The LTSAs will leverage GE's proprietary technology to improve and optimize turbine performance in order to increase production from our wind fleet. The LTSAs include a combination of resource-adjusted production guarantees and availability guarantees for all of our turbines, which are designed to improve upon historical resource-adjusted production levels and are consistent with our long-term average generation targets, once fully implemented after a transition period of nine to twelve months. Furthermore, the LTSAs lock in cost savings at an amount that is consistent with achieving our targeted cost savings and is ~$20 million less than the comparable amount for our wind fleet in 2017. While there will be a modest amount of transition costs and downtime to implement the LTSAs, we expect to begin realizing cost savings in the first half of 2019, ahead of our stated goal of phasing in these operational savings over two to three years.

We continue to make progress on our solar performance improvement plan, with a goal of increasing energy production to levels that are consistent with our long-term average generation target. As of now, we have completed infrared scans of most of our solar fleet to identify issues that are negatively impacting performance at the asset level and opportunities to increase production. Our goal is to implement remediation plans for all assets by the end of the first quarter of next year so that we can realize increased production in 2019.

As of July, we are pleased to report that we have relocated our employees to our headquarters in New York City. Nearly all senior and mid-level positions have been filled, and we expect that most contract workers will be rolling off by the end of the third quarter. With the close of Saeta acquisition, we will utilize our new office in Madrid, Spain, as our platform for growth in Europe.

Growth Initiatives

In our Corporate Profile, we identify approximately $500 million of organic investment opportunities within our existing portfolio of assets. These opportunities include repowerings and expansions of our wind and solar assets. We also have opportunities to buy-out minority partners that own interests in our projects, including options to buyout tax equity investors after a certain number of years that are typically at fair market value. Finally, in conjunction with previous acquisitions, we have 500 MW of rights of first offer to acquire projects owned by third parties.

During the second quarter, we progressed a number of these organic growth initiatives. We entered into a letter of intent to work exclusively with a local developer on an expansion of our existing Tinkham Hill Project in Massachusetts. The 2.5 MW expansion project is contiguous to our existing solar farm and is projected to yield a levered return at the high end of our target range with substantial completion expected by year end. We also closed the previously announced acquisition of a 6 MW portfolio of operating distributed solar generation assets located in California and New Jersey pursuant to a right of first offer with a third party. Expected returns of this investment are in-line with our targeted equity returns, with potential upside from executing our business plan. In addition, in July, we executed a buyout of a tax equity partner in a portfolio of solar projects. The initial $2 million transaction is expected to yield strong returns well in excess of currently available third-party market transactions.

Saeta Integration

Following the settlement of our tender offer whereby we acquired 95% of Saeta, we closed on the minority squeeze-out on July 2nd, increasing our ownership to 100%. Importantly, we expect to immediately integrate Saeta into Terraform Power and realize synergies from the transaction. At the outset, we have identified cost savings as a result of eliminating public company costs as well as potential reductions in O&M expenses. Similar to TerraForm Power's North American assets, we believe there will be opportunities to renegotiate some of Saeta's outsource contracts over the next few years and realize cost savings. We believe these two opportunities would yield up to €5 million of annual savings.

Financial Results

During the second quarter, our portfolio performed slightly below expectations, delivering Adjusted EBITDA, Net Loss and CAFD of $128 million, $28 million and $30 million, respectively. This represents an increase in Adjusted EBITDA of $11 million, an increase in Net Loss of $26 million, and an increase in CAFD of $5 million, compared to the same period last year. The increase in Adjusted EBITDA was attributable to the contribution from Saeta and increased generation from our solar business, primarily due to improved resource. These factors were partially offset by a decrease in production from our wind assets and lower net pricing in Texas. The increase in Net Loss was driven by a gain realized from the sale of most of our UK portfolio in the second quarter of last year. In addition to the increase in Adjusted EBITDA, CAFD was also positively impacted by interest expense savings.

In the second quarter, our North American wind generation was lower than expected, whereas production from our North American solar fleet was largely consistent with expectations. Wind production was impacted by greater than normal maintenance, including blade inspections and repairs as well as some residual impacts related to the Raleigh wind turbine outage. Going forward, the LTSAs with GE are expected to provide us with protection against operational issues such as these.

Balance Sheet

Following the closing of the Saeta acquisition, Moody’s upgraded our corporate credit rating from B1 to Ba3. To support its upgrade, Moody’s specifically cited the upsizing of the equity issuance to fund the Saeta acquisition to $650 million. This is expected to allow TerraForm Power to reduce its reliance on corporate debt and improve key credit metrics, including reducing its pro forma corporate debt-to-cash flow ratio towards its 4.0x to 5.0x target range.

In May, we repriced our $350 million Term Loan B at a 75-basis point reduction in the spread to LIBOR plus 200, yielding projected annual savings of approximately $2.5 million. Furthermore, we are making significant progress executing the ~$350 million non-recourse debt component of our permanent financing plan for the Saeta acquisition. We closed the first project financing of certain of our unencumbered assets in June, yielding net proceeds of ~$83 million. In addition, we have launched the second financing, which is expected to net ~$70 million and close later this summer. Over the next six months, we plan to execute two more project financings to raise the remainder of the ~$350 million of proceeds. Upon expected completion of the permanent financing plan for the Saeta acquisition, TerraForm Power would restore its corporate liquidity to ~$900 million and would have ample dry powder to continue pursuing opportunistic acquisitions originated by Brookfield.

Outlook

Solar and wind power have enjoyed an impressive run over the last decade. With nearly 200,000 MW deployed in our target markets of North America and Western Europe over the last five years, renewables have transitioned from a marginal resource requiring meaningful policy support to the lowest cost provider of incremental generation in many regions. However, despite this level of market penetration, there has been considerable divergence of governmental policy towards renewables over the past few months.

On the one hand, the newly-formed, coalition government in Spain, headed by the center-left Socialist Workers’ Party (the “PSOE”) that has traditionally been a major advocate for renewable power, has already demonstrated increased support for renewables since coming into office. The PSOE merged the Ministry of Energy into the newly-created Ministry of Ecological Transition. Last week, the CNMC, which is the regulator for markets and competition, issued a white paper supporting a 7.04% to 7.14% rate of return for the next six year regulatory period, a reduction of less than 50 bps from the current level. Following input from stakeholders, the CNMC will make its formal recommendation regarding the regulated rate of return in the next few months. To the extent that the coalition government does not pass a law that changes the regulated return, the current rate of 7.4% will remain in place.

One the other hand, Ontario's new government, which ran on a platform of reducing electricity rates in the province by 12%, has recently announced its intention to terminate over 700 renewable power projects that were previously awarded to developers. TerraForm Power has no development projects in Ontario. We do have five utility-scale projects and several, small distributed generation projects in the province, all of which are operational. Nonetheless, we do not expect to be materially impacted by this announcement. We are confident that a wholesale reduction in Ontario's Feed-In Tariff for operational renewable projects is unlikely. This would have significant, lasting negative implications on future investment in Ontario and on the stakeholders of various projects, which include Ontario-based banks and life insurance companies as well as Canadian pension funds. Furthermore, our exposure to the Ontario market is limited as our projects in the province account for approximately 4% of our capacity, of which only 2% earn revenues under the Feed-In Tariff program.

Finally, tariffs levied earlier this year by the U.S. government on imported solar cells and modules have not led to predicted equipment price increases. Shortly after the tariffs were implemented, the Chinese government suspended issuance of new quotas for solar projects within the country. As a result, there is now substantial global overcapacity of panels, as the Chinese market had consumed over 50% of installed panel supply in 2017. Considering declining balance of plant costs, the net result is that capital costs for solar projects in the U.S. have actually declined in recent months. Since our solar fleet is fully operational, this has not impacted TerraForm Power. However, it has increased risk for solar developers who must forecast module prices and capital costs when bidding into RFPs for long term contracts to support their development pipelines.

The transformation of global power grids is still in very early stages and will require hundreds of billions of investment over multiple decades. Going forward, we believe there will continue to be uncertainty on the regulatory front. As we build our business, we will remain vigilant and seek to mitigate our exposure to this risk by diversifying our portfolio and maintaining an active regulatory affairs presence in our markets. Furthermore, we will look for opportunities to deploy capital at attractive rates of return. Considering Brookfield's demonstrated willingness to provide support as we pursue investments, we believe we are well-positioned to take advantage of the opportunities that will inevitably arise. As always, we look forward to updating you on our progress in executing our business plan over the coming quarters.

Sincerely,

John Stinebaugh
Chief Executive Officer

August 13, 2018