UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year ended December 31, 2016
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-36542

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

Delaware	**46-4780940**
(State or other jurisdiction of incorporation or organization)	(I. R. S. Employer Identification No.)
7550 Wisconsin Avenue, 9th Floor, Bethesda, Maryland	**20814**
(Address of principal executive offices)	(Zip Code)

240-762-7700
(Registrant's telephone number, including area code)

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

Title of Each Class	Name of Exchange on Which Registered
Common Stock, Class A, par value $0.01	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☒

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2017, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting and non-voting common equity of the registrant, held by non-affiliates of the registrant (based upon the closing sale price of shares of Class A common stock of the registrant on the NASDAQ Global Select Market on such date), was approximately $1.1 billion.

As of June 30, 2017, there were 92,268,474 shares of Class A common stock outstanding and 48,202,310 shares of Class B common stock outstanding.

TerraForm Power, Inc. and Subsidiaries
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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This communication contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. These statements involve estimates, expectations, projections, goals, assumptions, known and unknown risks, and uncertainties and typically include words or variations of words such as “expect,” “anticipate,” “believe,” “intend,” “plan,” “seek,” “estimate,” “predict,” “project,” “goal,” “guidance,” “outlook,” “objective,” “forecast,” “target,” “potential,” “continue,” “would,” “will,” “should,” “could,” or “may” or other comparable terms and phrases. All statements that address operating performance, events, or developments that the Company expects or anticipates will occur in the future are forward-looking statements. They may include estimates of expected cash available for distribution, earnings, revenues, capital expenditures, liquidity, capital structure, future growth, financing arrangements and other financial performance items (including future dividends per share), descriptions of management’s plans or objectives for future operations, products, or services, or descriptions of assumptions underlying any of the above. Forward-looking statements provide the Company’s current expectations or predictions of future conditions, events, or results and speak only as of the date they are made. Although the Company believes its expectations and assumptions are reasonable, it can give no assurance that these expectations and assumptions will prove to have been correct and actual results may vary materially.

Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are listed below and further disclosed under the section entitled *Item 1A. Risk Factors:*

- risks related to our relationship with "SunEdison" (defined as SunEdison, Inc. and its consolidated subsidiaries, excluding TerraForm Power, Inc. and its subsidiaries and TerraForm, Global, Inc. and its subsidiaries);
- risks related to SunEdison's bankruptcy filing, including our continuing transition away from reliance on SunEdison for management, corporate and accounting services, employees, critical systems and information technology infrastructure, and the operation, maintenance and asset management of our renewable energy facilities;
- risks related to events of default and potential events of default arising under (i) our revolving credit facility (the “Revolver”), (ii) the indentures governing our Senior Notes due 2023 and Senior Notes due 2025 (the "Indentures"), and/or (iii) project-level financings and other agreements related to the SunEdison Bankruptcy, our failure to obtain corporate and/or project level audits, SunEdison’s failure to perform its obligations under project-level agreements, and/or related adverse effects on our business and operations (including the delay in our SEC filings) and other factors;
- risks related to failure to timely file SEC reports and to satisfy the requirements of the NASDAQ, which could result in delisting of our common stock;
- risks related to the merger and the sponsorship transaction with Brookfield Asset Management, Inc. and certain of its affiliates, including failure to satisfy conditions to consummation of the merger and the sponsorship transaction, our failure to realize the expected benefits of the transaction and the diminished likelihood that a third party would make a competing transaction proposal;
- risks related to the pendency of the merger and the sponsorship transaction, including disruptions to our business, conflicts of interest and employee departures;
- risks relating to the failure to consummate the merger and the sponsorship transaction, including a potential adverse impact on the trading price of our common stock, the potential termination of our settlement agreement with SunEdison and the likelihood we would need to operate without a sponsor indefinitely or until we were able to conclude a transaction with another party, if at all;
- our ability to integrate the renewable energy facilities we acquire from third parties or otherwise and realize the anticipated benefits from such acquisitions;
- the willingness and ability of the counterparties to our offtake agreements to fulfill their obligations under such agreements;
- price fluctuations, termination provisions and buyout provisions related to our 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 successfully identify, evaluate and consummate acquisitions;
- government regulation, including compliance with regulatory and permit requirements and changes in market rules or regulations, rates, tariffs, environmental, tax or other laws, policies and incentives affecting the energy markets in general or renewable energy facilities in particular, including any such changes that may be implemented following the recent elections in the U.S. and changes to federal and state tax laws related to renewable energy and renewable energy portfolio standards or renewable energy credits;

- operating and financial restrictions placed on us and our subsidiaries related to agreements governing our indebtedness and other agreements of certain of our subsidiaries and project-level subsidiaries generally and in our Revolver and the Indentures;
- the condition of the debt and equity capital markets and our ability to borrow additional funds and access capital markets, as well as our substantial indebtedness and the possibility that we may incur additional indebtedness going forward;
- our ability to compete against traditional and renewable energy companies;
- hazards customary to the power production industry and power generation operations such as unusual weather conditions, catastrophic weather-related or other damage to facilities, unscheduled generation outages, maintenance or repairs, interconnection problems or other developments, environmental incidents, or electric transmission constraints and curtailment and the possibility that we may not have adequate insurance to cover losses as a result of such hazards;
- the variability of wind and solar resources and the under-performance of our solar modules, wind turbines and other associated components and equipment, which may result in lower than expected output of our renewable energy facilities;
- our ability to expand into new business segments or new geographies;
- departure of some or all of the employees providing services to us, particularly executive officers or key employees and operations and maintenance or asset management personnel;
- pending and future litigation;
- our ability to operate our business efficiently, to operate and maintain our information technology, technical, accounting and generation monitoring systems, to manage capital expenditures and costs, to manage risks related to international operations such as currency exposure and to generate earnings and cash flows from our asset-based businesses in relation to our debt and other obligations, including in light of the SunEdison Bankruptcy and the ongoing process to establish separate information technology and other systems; and
- potential conflicts of interests or distraction due to the fact that several of our directors are also directors of Terraform Global, Inc. and most of our executive officers are also executive officers of TerraForm Global, Inc.

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 this annual report, as well as additional factors we may describe from time to time in other filings with the SEC. 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.

GLOSSARY OF TERMS

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below:

CAFD	Cash available for distribution is defined as net cash provided by operating activities of Terra LLC as adjusted for certain other cash flow items that we associate with our operations. It is a non-GAAP measure of our ability to generate cash to service our dividends. CAFD represents net cash provided by (used in) operating activities of Terra LLC (i) plus or minus changes in assets and liabilities as reflected on our statements of cash flows, (ii) minus deposits into (or plus withdrawals from) restricted cash accounts required by project financing arrangements to the extent they decrease (or increase) cash provided by operating activities, (iii) minus cash distributions paid to non-controlling interests in our renewable energy facilities, if any, (iv) minus scheduled project-level and other debt service payments and repayments in accordance with the related borrowing arrangements, to the extent they are paid from operating cash flows during a period, (v) minus non-expansionary capital expenditures, if any, to the extent they are paid from operating cash flows during a period, (vi) plus cash contributions from SunEdison pursuant to the Interest Payment Agreement and the Amended Interest Payment Agreement, (vii) plus operating costs and expenses paid by SunEdison pursuant to the MSA to the extent such costs or expenses exceed the fee payable by us pursuant to such agreement but otherwise reduce our net cash provided by operating activities and (viii) plus or minus operating items as necessary to present the cash flows we deem representative of our core business operations, with the approval of the audit committee.
Call Right Projects	Qualifying projects from SunEdison's development pipeline required to be offered to us by SunEdison under the Support Agreement and the Intercompany Agreement, as applicable
GWh	Gigawatt hours
ITC	Investment tax credit
MWh	Megawatt hours
Minimum Quarterly Distribution	Class A units and Class B1 units are entitled to receive quarterly distributions in an amount equal to $0.2257 per unit, plus any arrearages in the payment of the Minimum Quarterly Distribution from prior quarters, before any distributions may be made on the Class B units
Nameplate capacity	Nameplate capacity for solar generation facilities represents the maximum generating capacity at standard test conditions of a facility (in direct current, "DC") multiplied by our percentage ownership of that facility (disregarding any equity interests held by any non-controlling member or lessor under any sale-leaseback financing or any non-controlling interests in a partnership). Nameplate capacity for wind power plants represents the manufacturer’s maximum nameplate generating capacity of each turbine (in alternating current, "AC") multiplied by the number of turbines at a facility multiplied by our percentage ownership of that facility (disregarding any equity interests held by any tax equity investor or lessor under any sale-leaseback financing or any non-controlling interests in a partnership).
PPA	As applicable, Power Purchase Agreement, energy hedge contract and/or REC or SREC contract
Projected FTM	Projected future twelve months
PTC	Production tax credit
QF	Qualifying small power production facility
REC	Renewable energy certificate or SREC
Renewable energy facilities	Solar generation facilities and wind power plants
SREC	Solar renewable energy certificate

Subordination Period	The period from July 23, 2014 until each of the following tests has been met, which will be a minimum three-year period ending no earlier than the beginning of the period for which a distribution is paid for the third quarter of 2017: • distributions of CAFD on each of the outstanding Class A units, Class B units and Class B1 units equaled or exceeded $0.9028 per unit (the annualized Minimum Quarterly Distribution) for each of three non-overlapping, four-quarter periods immediately preceding that date; • the CAFD generated during each of three non-overlapping, four-quarter periods immediately preceding that date equaled or exceeded the sum of $0.9028 per unit (the annualized Minimum Quarterly Distribution) on all of the outstanding Class A units, Class B units and Class B1 units during those periods on a fully diluted basis; and • there are no arrearages in payment of the Minimum Quarterly Distribution on the Class A units or Class B1 units.

PART I

Item 1. Business.

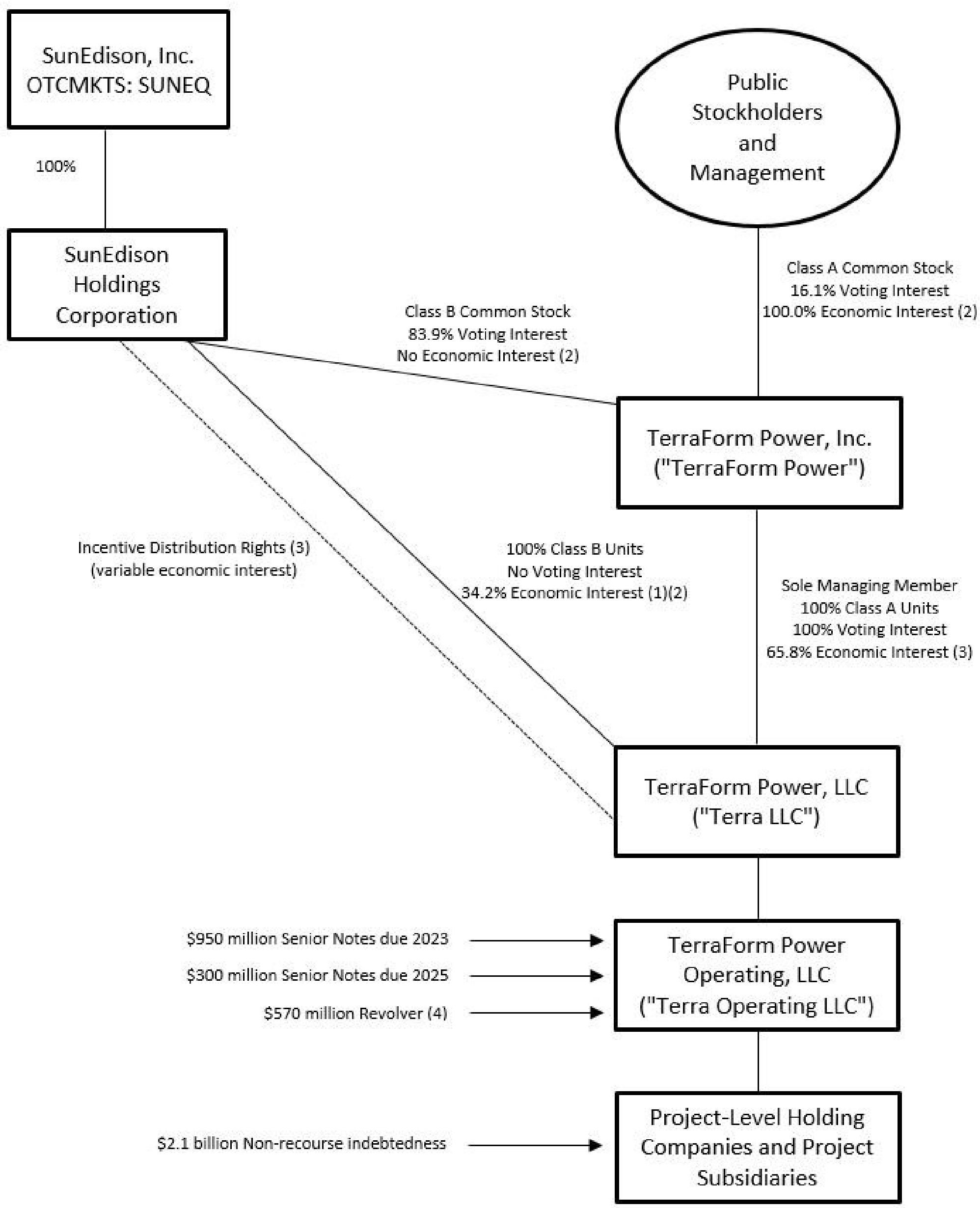
Overview

TerraForm Power, Inc. ("TerraForm Power") and its subsidiaries (together with TerraForm Power, the "Company") is a dividend growth-oriented company formed to own and operate contracted clean power generation assets. The Company's business objective is to acquire assets with high-quality contracted cash flows, primarily from owning clean power generation assets serving utility and commercial customers. The Company's portfolio consists of renewable energy facilities located in the United States (including Puerto Rico), Canada, Chile and the United Kingdom with a combined nameplate capacity of 2,606.7 MW as of June 30, 2017.

TerraForm Power is a holding company and its sole asset is an equity interest in TerraForm Power, LLC, or "Terra LLC." TerraForm Power is the managing member of Terra LLC, and operates, controls and consolidates the business affairs of Terra LLC. Unless otherwise indicated or otherwise required by the context, references to "we," "our," "us," or the "Company" refer to TerraForm Power and its consolidated subsidiaries.

Our principal executive offices are located at 7550 Wisconsin Avenue, 9th Floor, Bethesda, Maryland 20814, and our telephone number is (240) 762-7700. Our website address is www.terraformpower.com.

The diagram below is a summary depiction of our organizational structure as of June 30, 2017:



(1) Both SunEdison, Inc. and SunEdison Holdings Corporation are debtors in the SunEdison Bankruptcy (as defined below). SunEdison's economic interest is subject to certain limitations on distributions to holders of Class B units during the Subordination Period.
(2) The economic interest of holders of Class A units, Class B units, and, in turn, holders of shares of Class A common stock, is subject to the right of holders of the incentive distribution rights, or "IDRs," to receive a portion of distributions after certain distribution thresholds are met. On January 22, 2016, 12,161,844 Class B shares held by SunEdison were converted to 12,161,844 Class A shares and were sold to unaffiliated third parties by SunEdison. After giving effect to the conversion, SunEdison, Inc. indirectly owns 48,202,310 Class B shares of the Company, holds 83.9% of the voting interest in the Company and owns 34.2% of the economic interests of Terra LLC. SunEdison Holdings Corporation ("Holdings"), which is a wholly owned and controlled subsidiary of SunEdison, Inc. owns its Class B common stock, Class B units and IDRs directly and indirectly through a wholly owned and controlled subsidiary, SunE ML 1, LLC, which is also a debtor in the SunEdison Bankruptcy.
(3) IDRs represent a variable interest in distributions by Terra LLC and therefore cannot be expressed as a fixed percentage ownership interest in Terra LLC. All of our IDRs are currently issued to Holdings or its direct or indirect, wholly owned subsidiary, SunE ML 1, LLC.

(4) Represents total borrowing capacity as of June 30, 2017. As of June 30, 2017, there were $497.0 million of revolving loans and $60.9 million of letters of credit outstanding under the Revolver, with availability of $12.1 million as of such date.

Our Business Strategy

Our primary business strategy is to own and operate a portfolio of renewable energy assets and to pay cash dividends to our stockholders. We intend to grow our portfolio over time through acquisitions in order to increase the cash dividends we pay to our stockholders.

We have acquired a portfolio of long-term contracted clean power generation assets from SunEdison and unaffiliated third parties that have proven technologies, creditworthy counterparties, low operating risks and stable cash flows. We have focused on the solar and wind energy segments because we believe they are currently the fastest growing segments of the clean energy industry. Solar and wind assets are also attractive because there is no associated fuel cost risk, the technologies have become highly reliable and assets generally have an estimated expected life of 20 to 30 years.

On April 21, 2016, SunEdison Inc. and certain of its domestic and international subsidiaries (the "SunEdison Debtors") voluntarily filed for protection under Chapter 11 of the U.S. Bankruptcy Code (the "SunEdison Bankruptcy"). In anticipation of and in response to SunEdison’s financial and operating difficulties, which culminated in the SunEdison Bankruptcy, at the direction of our Board of Directors (the "Board"), we have undertaken, and continue to undertake, a number of strategic initiatives to mitigate the adverse impacts of the SunEdison Bankruptcy on the Company. These initiatives focused on governance, operations and business performance initiatives deemed especially critical because SunEdison provided all personnel and services to the Company (other than those operational services provided by third parties). These initiatives include, among other things, developing continuity plans, establishing stand-alone information technology, accounting and other systems and infrastructure, directly hiring employees and self-performing or retaining backup or replacement service providers for the operation and maintenance ("O&M") and asset management of our wind and solar facilities.

As part of this overall strategic review process, we also initiated a process for the exploration and evaluation of potential strategic alternatives for the Company, including potential transactions to secure a new sponsor or sell the Company. As more fully described below, on March 6, 2017, this process resulted in our entry into a definitive merger and sponsorship transaction agreement (the “Merger Agreement”) and agreements to enter into a suite of support and sponsorship arrangements (the "Sponsorship Transaction") with Brookfield Asset Management Inc. ("Brookfield") and certain of its affiliates and our entry into a settlement agreement (the “Settlement Agreement”) and a voting and support agreement (the “Voting and Support Agreement”) with SunEdison and the SunEdison Debtors.

We continue to focus on these strategic initiatives and other near-term plans and priorities in order to better position the Company to return to its focus on growing its solar and wind portfolio and to pay and increase the cash dividends it pays to its shareholders. These initiatives, plans and priorities include:

- focusing on the performance and efficiency of our existing portfolio of renewable energy facilities;
- focusing on satisfying conditions to the effectiveness of the Merger Agreement and the Settlement Agreement to effectuate the transactions contemplated by the Merger Agreement and the Sponsorship Transaction;
- mitigating, to the extent possible, the adverse impacts resulting from the SunEdison Bankruptcy, including ensuring the continuity of operation, maintenance and asset management of our renewable energy facilities by self-performing those activities or engaging third party providers;
- creating a separate stand-alone corporate organization, including, among other things, directly hiring employees and establishing our own accounting, information technology, human resources and other systems and infrastructure;
- working with project-level lenders and financing parties to cure, or obtain waivers or forbearance of, defaults that have arisen under most of our project-level debt financings as a result of the SunEdison Bankruptcy and delays in delivering corporate and project-level audited financial statements, among other things; and
- seeking to optimize our portfolio and capital structure by reducing corporate-level indebtedness, financing or refinancing certain renewable energy facilities at the project level, exiting certain markets or selling certain assets if we believe the opportunity would improve stockholder value.

While we remain focused on executing our near-term objectives, we also continue to pursue our long-term business strategy, which is to own, operate and grow our portfolio with assets that have proven technologies, creditworthy counterparties, lower operating risks and stable cash flows in markets with attractive long-term power pricing dynamics and predictable regulatory environments.

Recent Developments

Business Update

As of June 30, 2017, our renewable energy generation fleet stands at 2,606.7 MW, over three times the size of our initial portfolio in July 2014. Our fleet is contracted for a weighted average (based on MW) remaining period of 14 years as of June 30, 2017 with creditworthy counterparties and provides significant ongoing cash flow.

Transition to Standalone Operations

We have been transitioning away from our historical reliance on SunEdison for management, corporate and accounting services, employees, systems and information technology infrastructure, and the operation, maintenance and asset management of our power plants. As part of this transition, as of January 1, 2017, certain employees of SunEdison who provided dedicated corporate-level services to the Company were hired directly by the Company. During the first half of 2017, we hired additional employees of SunEdison who are primarily dedicated to performing O&M, asset management and project-level accounting activities and entered into transition services agreements with SunEdison with respect to the transition of O&M and asset management services. However, we continue to depend on a substantial number of outside contractors and SunEdison employees, as well as accounting and other systems provided by SunEdison, for certain of our continuing operations. We continue to execute on the other aspects of our plan to implement a stand-alone organization and continue to evaluate our employee retention and incentive plans, as well.

Merger and Sponsorship Transaction

On March 6, 2017, TerraForm Power entered into the Merger Agreement with Orion US Holdings 1 L.P., a Delaware limited partnership (“Orion Holdings”), and BRE TERP Holdings Inc., a Delaware corporation and a wholly-owned subsidiary of Orion Holdings (“Merger Sub”), which are affiliates of Brookfield. The Merger Agreement provides for the merger of Merger Sub with and into TerraForm Power (the “Merger”), with TerraForm Power as the surviving corporation in the Merger. Orion Holdings will hold approximately 51% of the Class A shares of TerraForm Power following consummation of the Merger. The Merger Agreement provides that, at or prior to the effective time of the Merger, TerraForm Power and Orion Holdings, Brookfield and certain of their affiliates will enter into the Sponsorship Transaction, a suite of agreements providing for the sponsorship arrangements of Brookfield and certain of its affiliates of the Company as described in greater detail below.

The Merger Agreement was approved unanimously by the members of our Board voting on the matter, following the unanimous recommendation of our Corporate Governance and Conflicts Committee (“Conflicts Committee”). Completion of the Sponsorship Transaction is expected to occur, subject to satisfaction of closing conditions, in the second half of 2017.

Immediately prior to the effective time of the Merger, TerraForm Power will declare the payment of a special cash dividend (the “Special Dividend”) in the amount of $1.94 per fully diluted share, which includes the Company’s issued and outstanding Class A shares, Class A shares issued to SunEdison pursuant to the Settlement Agreement (more fully described below) and Class A shares underlying outstanding restricted stock units of the Company under the Company’s long-term incentive plan.

At the effective time of the Merger, each share of Class A common stock of TerraForm Power, issued and outstanding immediately prior to the effective time of the Merger (other than certain excluded shares) will be converted into the right to, at the holder’s election and subject to proration as described below, either (i) receive $9.52 per Class A share, in cash, without interest (the “Per Share Cash Consideration”) or (ii) retain one share of Class A common stock, par value $0.01 per share, of TerraForm Power (the “Per Share Stock Consideration,” and, together with the Per Share Cash Consideration, without duplication, the “Per Share Merger Consideration”). Issued and outstanding shares include shares issued in connection with the SunEdison Settlement Agreement as described more fully below and shares underlying outstanding restricted stock units of the Company under the Company's long-term incentive plan. The Per Share Stock Consideration will be subject to proration in the event that the aggregate number of Class A shares for which an election to receive the Per Share Stock Consideration has been made exceeds 49% of the TerraForm Power fully diluted share count (the “Maximum Stock Consideration Shares”). Additionally, the Per Share Cash Consideration will be subject to proration in the event that the aggregate number of Class A shares for which an election to receive the Per Share Cash Consideration has been made exceeds the TerraForm Power fully diluted share count minus (i) the Maximum Stock Consideration Shares, (ii) any Class A shares currently held by affiliates of Brookfield, and (iii) any shares for which the holders seek appraisal under Delaware law.

Concurrently with the execution and delivery of the Merger Agreement, SunEdison executed and delivered the Voting and Support Agreement. Under that agreement, SunEdison agreed to vote or cause to be voted any shares of common stock of TerraForm Power held by it or any of its controlled affiliates in favor of the Merger and to take certain other actions to support the consummation of the Merger and the Sponsorship Transaction.

The Merger Agreement includes a non-waivable condition to closing that the Merger Agreement and the transactions contemplated thereby be approved by holders of a majority of the outstanding Class A shares, excluding SunEdison, Orion Holdings, any of their respective affiliates or any person with whom any of them has formed (and not terminated) a "group" (as such term is defined in the Securities Exchange Act of 1934, as amended). The closing of the Merger is also subject to certain additional conditions, including the adoption of the Merger Agreement by the holders of a majority of the total voting power of the outstanding common shares entitled to vote on the Merger and other customary closing conditions. Certain conditions to the closing of the Merger have been satisfied, including (1) the entry of an order by the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") authorizing and approving the entry by SunEdison (and, if applicable, SunEdison's debtor affiliates) into the Settlement Agreement and the Voting and Support Agreement (each as described more fully below) and any other agreement entered into in connection with the Merger or the Sponsorship Transaction to which SunEdison or any other debtor will be a party, (2) the expiration or early termination of the waiting period applicable to consummation of the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and (3) the closing of the sale of substantially all of our U.K. solar facilities as described below.

There is no financing condition to the consummation of the transactions contemplated by the Merger Agreement. Pursuant to the Merger Agreement, we have agreed to provide cooperation as reasonably requested by Orion Holdings in its efforts to obtain debt financing that is to be made available to us from and after the closing of the Merger. Certain lenders have committed, upon the terms and subject to the conditions set forth in debt commitment letters provided to Orion Holdings, to provide certain financing to repay, refinance, redeem, defease or otherwise repurchase certain Company indebtedness. Orion Holdings has also provided a guaranty, dated as of March 6, 2017, pursuant to which Brookfield Infrastructure Fund III-A (CR), L.P., a limited partnership organized under the laws of Delaware, Brookfield Infrastructure Fund III-A, L.P., a limited partnership organized under the laws of Delaware, Brookfield Infrastructure Fund III-B, L.P., a limited partnership organized under the laws of Delaware, Brookfield Infrastructure Fund III-D, L.P., a limited partnership organized under the laws of Delaware, and Brookfield Infrastructure Fund III-D (CR), L.P., a limited partnership organized under the laws of Delaware (collectively, the "Guarantors") have guaranteed certain obligations of Orion Holdings under the Merger Agreement.

Orion Holdings and TerraForm Power have made customary representations and warranties in the Merger Agreement. We have also agreed to various agreements and covenants, including, subject to certain exceptions, to conduct our business in the ordinary course of business between execution of the Merger Agreement and closing of the Merger and not to engage in certain specified types of transactions during that period. In addition, we are subject to a "no change of recommendation" restriction and "no shop" restriction on our ability to solicit alternative business combination proposals from third parties and to provide information to, and engage in discussions with, third parties regarding alternative business combination transactions, except as permitted under the terms of the Merger Agreement. We may not terminate the Merger Agreement to accept an alternative business combination and are required to hold a shareholder vote on the Merger Agreement even if the Board withdraws its recommendation to vote in favor of the Merger. Orion Holdings has also made certain covenants in respect of the operation of the business of Brookfield and its affiliates in a manner that would not impair the ability of Brookfield and its affiliates to perform their sponsorship obligations under the Sponsorship Transaction from and after the effective time of the Merger.

The Merger Agreement contains specified termination rights, including the right for each of us or Orion Holdings to terminate the Merger Agreement if the Merger is not consummated by December 6, 2017, subject to extension until March 6, 2018 to obtain required regulatory approvals. The Merger Agreement also provides for other customary termination rights for both us and Orion Holdings, as well as a mutual termination right in the event that the Settlement Agreement is terminated in accordance with its terms. In the event the Merger Agreement is terminated by either us or Orion Holdings due to the failure to obtain the requisite stockholder approvals or the termination of the Settlement Agreement, and the Board did not change its recommendation to our stockholders to approve the Merger, we will pay to Orion Holdings all reasonable and documented out-of-pocket expenses incurred in connection with the Merger Agreement and the Sponsorship Transaction, in an amount not to exceed $17.0 million. The Merger Agreement further provides that upon termination of the Merger Agreement under certain other specified circumstances, we will be required to pay Orion Holdings a termination fee of $50.0 million. Our obligation to pay any combination of out-of-pocket expenses or termination fees shall not in any event exceed $50.0 million.

In addition, the Merger Agreement provides that, at or prior to the effective time of the Merger, we will enter into the following suite of documents that comprise the Sponsorship Transaction and that provides the basis of the arrangements under which Brookfield and certain of its affiliates will act as the new sponsor of the Company. These agreements include: (a) a master services agreement (the “Merger MSA”) by and among TerraForm Power, Terra LLC, Terra Operating LLC, Brookfield and certain affiliates of Brookfield (collectively, the “MSA Providers”) pursuant to which the MSA Providers will provide certain management services to TerraForm Power and its subsidiaries commencing at the effective time of the Merger, (b) a revolving credit line agreement, substantially consistent with the term sheet as agreed between Orion Holdings and TerraForm Power as of the date of the Merger Agreement, (the “Sponsor Line Agreement”) by and among TerraForm Power and Brookfield or its affiliates pursuant to which Brookfield or its affiliates will commit up to a $500 million secured revolving credit line to TerraForm Power for use to acquire renewable energy assets or for profit improving capital expenditures, (c) a relationship agreement (the “Relationship Agreement”) by and among TerraForm Power, Terra LLC, Terra Operating LLC and Brookfield, pursuant to which, among other things, Brookfield agrees that the Company will serve as the primary vehicle through which Brookfield and certain of its affiliates will own operating wind and solar assets in North America and certain other Western European nations and that Brookfield will provide, subject to certain terms and conditions, TerraForm Power and its subsidiaries with a right of first offer on certain operating wind and solar assets that are owned by Brookfield and certain of its affiliates and are located in those countries (the “ROFO Pipeline”) and (d) a registration rights agreement (the “Registration Rights Agreement”) by and among TerraForm Power and Orion Holdings providing Orion Holdings with registration rights with respect to its shares in TerraForm Power after the Merger (together with the IDR Transfer Agreement (as defined below), Merger MSA, Sponsor Line Agreement, Relationship Agreement and Registration Rights Agreement, collectively, the “New Sponsorship Agreements” and individually, each a “New Sponsorship Agreement”).

As consideration for the services provided or arranged for by Brookfield and its affiliates pursuant to the master services agreement, the Company will pay a base management fee on a quarterly basis that will be paid in arrears and calculated as follows:

- for each of the first four quarters following the closing date of the Merger, a fixed component of $2.5 million per quarter (subject to proration for the quarter including the closing date of the Merger) plus 0.3125% of the market capitalization value increase for such quarter;
- for each of the next four quarters, a fixed component of $3.0 million per quarter plus 0.3125% of the market capitalization value increase for such quarter; and
- thereafter, a fixed component of $3.75 million per quarter plus 0.3125% of the market capitalization value increase for such quarter.

For purposes of calculating the quarterly payment of the base management fee, the term market capitalization value increase means, for any quarter, the increase in value of the Company’s market capitalization for such quarter, calculated by multiplying the number of outstanding shares of Class A common stock as of the last trading day of such quarter by the difference between (x) the volume-weighted average trading price of a share of Class A common stock for the trading days in such quarter and (y) $9.52. If the difference between (x) and (y) in the market capitalization value increase calculation for a quarter is a negative number, then the market capitalization value increase is deemed to be zero.

Affiliates of Brookfield will hold the IDRs of Terra LLC. At the closing of the Merger, the limited liability company agreement of Terra LLC will be amended and restated to, among other things, reset the IDR thresholds of Terra LLC to establish a first distribution threshold of $0.93 per share of Class A common stock and a second distribution threshold of $1.05 per share of Class A common stock. As a result of this amendment and restatement, amounts distributed from Terra LLC would be distributed on a quarterly basis as follows:

- first, to the Company in an amount equal to the Company’s outlays and expenses for such quarter;
- second, to holders of Class A units, until an amount has been distributed to such holders of Class A units that would result, after taking account of all taxes payable by the Company in respect of the taxable income attributable to such distribution, in a distribution to holders of shares of Class A common stock of $0.93 per share (subject to adjustment for distributions, combinations or subdivisions of shares of Class A common stock) if such amount were distributed to all holders of shares of Class A common stock;
- third, 15% to the holders of the IDRs and 85% to the holders of Class A units until a further amount has been distributed to holders of Class A units in such quarter that would result, after taking account of all taxes payable by the Company in respect of the taxable income attributable to such distribution, in a distribution to holders of shares of Class A common stock of an additional $0.12 per share (subject to adjustment for distributions, combinations or subdivisions of shares of Class A common stock) if such amount were distributed to all holders of shares of Class A common stock; and
- thereafter, 75% to holders of Class A units and 25% to holders of the IDRs.

The Merger Agreement also requires TerraForm Power to issue to Orion Holdings additional Class A shares in respect of any losses to TerraForm Power arising out of certain specified litigation matters upon the final resolution of such matters.

Further, at the effective time of the Merger, the governing documents of TerraForm Power, including its by-laws and certificate of incorporation, will be amended and restated to be substantially consistent with the governance terms agreed to between Orion Holdings and TerraForm Power as of the date of the Merger Agreement.

Settlement Agreement and Voting and Support Agreement with SunEdison

As part of our strategic alternatives process, we entered into the Settlement Agreement and the Voting and Support Agreement with SunEdison on March 6, 2017 to resolve intercompany claims in connection with the SunEdison Bankruptcy, to obtain SunEdison's support of, and to facilitate the closing of, the Merger and the Sponsorship Transaction in light of SunEdison's controlling stake in the Company and to facilitate a complete transition away from SunEdison as our sponsor and as a provider of services to us. The Bankruptcy Court authorized and approved the entry by SunEdison (and its applicable debtor affiliates) into the Settlement Agreement and the Voting and Support Agreement on June 6, 2017. The mutual releases and certain other terms and conditions of the Settlement Agreement will become effective upon the consummation of the Merger or other transaction jointly supported by the Company and SunEdison and certain other conditions. Those provisions of the Settlement Agreement would also become effective upon a "Stand-Alone Conversion" as defined in the last paragraph of this section below.

Upon its effectiveness, the Settlement Agreement will resolve claims between TerraForm Power and SunEdison, including among other things, alleged claims of SunEdison against the Company for alleged fraudulent and preferential transfers and claims of the Company against SunEdison, including those outlined in the initial proof of claim filed by the Company in the SunEdison Bankruptcy on September 25, 2016 and on October 7, 2016. Under the Settlement Agreement, all such claims will be mutually released, and, subject to certain exceptions, any agreements between SunEdison Debtors and SunEdison parties to the Settlement Agreement on the one hand and the Company on the other hand will be rejected and no party will be deemed to have liability under those rejected agreements.

Under the Settlement Agreement, SunEdison will exchange, effective as of immediately prior to the record time for the Special Dividend, all of the Class B units of Terra LLC held by it or any of its controlled affiliates for 48,202,310 Class A shares of TerraForm Power (the “Exchange Shares” and the “Exchange,” as applicable). As a result of and following completion of the Exchange, all of the issued and outstanding shares of Class B common stock of TerraForm Power will be redeemed and retired. Immediately prior to the effective time of the Merger, TerraForm Power will also authorize and issue to SunEdison a number of additional Class A shares (the “Additional SunEdison Shares,” together with the Exchange Shares, the “SunEdison Shares”), such that, immediately prior to the effective time of the Merger, SunEdison will hold an aggregate number of Class A shares equal to 36.9% of TerraForm Power’s fully diluted share number. In addition, also as part of the settlement, SunEdison agreed to deliver the outstanding IDRs of Terra LLC held by SunEdison or certain of its affiliates to TerraForm Power or its designee and in connection therewith, concurrently with the execution and delivery of the Merger Agreement, TerraForm Power, Terra LLC, BRE Delaware, Inc. (the “Brookfield IDR Holder”) and SunEdison and certain of its affiliates have entered into an Incentive Distribution Rights Transfer Agreement (the “IDR Transfer Agreement”), pursuant to which certain SunEdison affiliates will transfer all of the IDRs to Brookfield IDR Holder at the effective time of the Merger on the terms and conditions set forth in the IDR Transfer Agreement. Our Board approved the Settlement Agreement upon the recommendation of the Conflicts Committee, each member of which is independent (pursuant to applicable NASDAQ rules) and does not also serve on the Board of Directors of TerraForm Global, Inc.

The Settlement Agreement would also become effective under certain circumstances if the Merger Agreement is terminated as a result of the failure to obtain the approval of the holders of a majority of the Class A common stock of TerraForm Power (as described above) and SunEdison elects to exchange its Class B units in Terra LLC and its Class B shares in TerraForm Power for newly issued Class A common stock constituting 36.9% of the aggregate issued and outstanding Class A common stock on a fully diluted basis (a “Stand-Alone Conversion”). In connection with a Stand-Alone Conversion, SunEdison would be required to deliver a customary voting agreement and an irrevocable proxy in customary form and substance reasonably acceptable to the Company and the holder of the Class A common stock issued to SunEdison, which may be SunEdison or a third party that receives the Class A common stock as part of a distribution in connection with SunEdison's plan of reorganization. This voting agreement would require the applicable stockholder, for a period of one year from the date of the Stand-Alone Conversion, to vote one-half of its voting power in the same proportion of the votes cast by stockholders not a party to a similar voting agreement, which would effectively reduce the voting power of the applicable stockholder.

Transition Services Agreements

In the first half of 2017, we entered into certain transition services agreements with SunEdison with respect to project-level operations and maintenance and asset management services provided by SunEdison. These transition services agreements allow the Company, among other things, to hire employees of SunEdison that are currently performing these project-level services for the Company. These transition services agreements also allow the Company to terminate project-level asset management and operations and maintenance services on 10 days advance notice. Under these agreements, the Company agreed to indemnify SunEdison for certain losses and liabilities to the extent SunEdison failed to perform services under existing services contracts as a result of the transition of SunEdison employees to the Company. SunEdison will also continue to provide certain project related services for a transitional period. The Company is also in the process of negotiating a corporate-level transition services agreement with SunEdison. The Company expects that under this agreement, SunEdison would agree to continue to provide certain corporate-level services, including tax and information technology support services through the end of the third quarter of 2017. At this time, we cannot give firm assurances that we will enter into any such corporate-level transition services agreement with SunEdison.

Corporate Governance Changes

Resignation of Mr. David Springer from the Board

On December 20, 2016, Mr. David Springer resigned from his position as a director of the Board. The resignation was contingent upon, and effective immediately prior to, the election of Mr. David Pauker as a director of the Board. Mr. Springer's resignation was not the result, in whole or in part, of any disagreement with the Company.

Election of Mr. David Pauker to the Board

On December 20, 2016, the Board voted to elect Mr. David Pauker to be a member of the Board effective immediately. We believe that Mr. Pauker qualifies as an independent director under applicable stock exchange rules. In connection with the election of Mr. Pauker to the Board, the Board consulted with various parties, including SunEdison, Inc., our controlling shareholder, which suggested Mr. Pauker as a board candidate.

Resignation of Mr. David Ringhofer from the Board

On February 12, 2017, Mr. David Ringhofer resigned from his position as a director of the Board. The resignation was contingent upon, and effective immediately prior to, the election of Mr. Christian S. Fong as a director of the Board. Mr. Ringhofer's resignation was not the result, in whole or in part, of any disagreement with the Company.

Resignation of Mr. Gregory Scallen from the Board

On February 12, 2017, Mr. Gregory Scallen resigned from his position as a director of the Board. The resignation was contingent upon, and effective immediately prior to, the election of Mr. Christian S. Fong as a director of the Board. Mr. Scallen's resignation was not the result, in whole or in part, of any disagreement with the Company.

Election of Mr. Christian S. Fong to the Board

On February 12, 2017, effective upon the resignations of Messrs. Ringhofer and Scallen from their positions as directors of the Board, Mr. Christian S. Fong became a member of the Board pursuant to a previous vote by the Board. We believe that Mr. Fong qualifies as an independent director under applicable stock exchange rules. In connection with the election of Mr. Fong to the Board, the Board consulted with various parties, including SunEdison, Inc., our controlling shareholder, which suggested Mr. Fong as a board candidate.

Reconstitution of the Conflicts Committee

On February 3, 2017, the Board appointed Ms. Kerri L. Fox and Messrs. Edward "Ned" Hall, Marc S. Rosenberg and David Pauker to the Conflicts Committee, effective immediately upon the resignation of Messrs. Christopher Compton, Hanif "Wally" Dahya and John F. Stark from the Conflicts Committee. Messrs. Compton, Dahya and Stark resigned from the Conflicts Committee on February 3, 2017. On February 26, 2017, Mr. Fong was appointed to the Conflicts Committee. As a result of these changes, the Conflicts Committee consists of five members, Ms. Fox and Messrs. Hall, Rosenberg, Pauker and Fong. Mr. Hall serves as the Chairperson of the Conflicts Committee.

Additionally, on February 3, 2017, the members of the Conflicts Committee of Terra LLC (the "LLC Conflicts Committee") appointed Ms. Fox and Messrs. Hall, Rosenberg and Pauker to the LLC Conflicts Committee, effective immediately upon the resignation of Messrs. Compton, Dahya and Stark from the LLC Conflicts Committee. Messrs. Compton, Dahya and Stark resigned from the LLC Conflicts Committee on February 3, 2017. Mr. Fong was appointed to the LLC Conflicts Committee on February 27, 2017. As a result of these changes, the LLC Conflicts Committee consists of five members, Ms. Fox and Messrs. Hall, Rosenberg, Pauker and Fong. Mr. Hall serves as the Chairperson of the LLC Conflicts Committee.

Creation of Compensation Committee

For purposes of the applicable stock exchange rules, the Company is a "controlled company." As a controlled company, we rely upon certain exceptions, including with respect to establishing a compensation committee or nominating committee. While we remain able to rely upon such exceptions, on February 3, 2017, the Board created a Compensation Committee of the Board (the "Compensation Committee") and appointed Messrs. Stark, Hall and Compton as its members. Mr. Stark serves as the Chairperson of the Compensation Committee.

The Compensation Committee is responsible for, among other matters: (i) reviewing and approving corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer, (ii) determining, or recommending to the Board for determination, the Chief Executive Officer's compensation level based on this evaluation, (iii) determining, or recommending to the Board for determination, the compensation of directors and all other executive officers, (iv) discharging the responsibility of the Board with respect to the Company's incentive compensation plans and equity-based plans, (v) overseeing compliance with respect to compensation matters, (vi) reviewing and approving severance or similar termination payments to any current or former executive officer of the Company, and (vii) preparing an annual Compensation Committee Report, if required by applicable Securities and Exchange Commission ("SEC") rules.

Notification Letters from NASDAQ

NASDAQ Listing Rule 5620(a) (the "Annual Meeting Rule") requires the Company to hold an annual meeting of shareholders within twelve months of the end of our fiscal year. We did not hold an annual meeting during 2016, and therefore, we are not in compliance with the Annual Meeting Rule. On January 4, 2017, we received a notification letter from a Senior Director of NASDAQ Listing Qualifications, which stated that our failure to hold our annual meeting by December 31, 2016 serves as an additional basis for delisting the Company's securities and that the hearings panel will consider this matter in their decision regarding our continued listing on the NASDAQ Global Select Market. On January 11, 2017, we submitted a response requesting an extension to hold an annual meeting and regain compliance with the Annual Meeting Rule.

On March 6, 2017, we received a notification letter from a Director of NASDAQ Listing Qualifications informing us that because we had not yet filed this Form 10-K for the year ended December 31, 2016, the Company was not in compliance with NASDAQ Listing Rule 5250(c)(1), which requires timely filing of periodic reports with the SEC. The letter noted that on February 24, 2017, we filed our Form 10-Q for the period ended September 30, 2016, and as a result regained compliance with Listing Rule 5250(c)(1). The Notification Letter also noted that, per listing Rule 5815(c)(1)(F), the NASDAQ Hearings Panel may grant us an exception period not to exceed 360 days from the due date of the Form 10-K for the year ended December 31, 2016, or February 26, 2018. The notification letter had no immediate effect on the listing of our common stock on the NASDAQ Global Select Market.

On March 20, 2017, we received a notification letter from a Hearings Advisor from the NASDAQ Office of General Counsel informing us that the hearings panel granted us an extension until June 30, 2017 to regain compliance with NASDAQ's continued listing requirements with respect to this Form 10-K for the year ended December 31, 2016, our Form 10-Q for the first quarter of 2017 and our delinquency in holding our annual meeting during the year ended December 31, 2016. On May 12, 2017, we received a notification letter from a Senior Director of NASDAQ Listing Qualifications stating that because we had not yet filed our Form 10-Q for the first quarter of 2017, this served as an additional basis for delisting the Company's securities from the NASDAQ Global Select Market.

On June 29, 2017, we received a notification letter from a Hearings Advisor from the NASDAQ Office of General Counsel informing us that the hearings panel granted us further extensions to regain compliance with NASDAQ's continued listing requirements. Under these extensions, the Company's Class A common stock will remain listed on the NASDAQ Global Select Market, subject to the requirement that this Form 10-K for the year ended December 31, 2016 be filed with the SEC by July 24, 2017, our annual meeting of stockholders be held by August 24, 2017, our Form 10-Q for the first quarter of 2017 be filed with the SEC by August 30, 2017 and our Form 10-Q for the second quarter of 2017 be filed with the SEC by September 30, 2017. The hearings panel also requested certain additional information, which the Company provided on July 10, 2017. The hearings panel reserved the right to reconsider the terms of the extension and the NASDAQ Listing and Hearing Review Council may determine to review the hearing panel's decision. This Form 10-K for the year ended December 31, 2016 was filed with the SEC prior to July 24, 2017. We have not yet held our annual meeting for 2016 or filed our Form 10-Q for the first quarter of 2017.

Delayed Filing of First Quarter 2017 Form 10-Q

Due mainly to the failure of SunEdison to provide adequate project-level accounting services to us subsequent to the SunEdison Bankruptcy and the time and resources required to complete our delayed SEC periodic reports, including our Form 10-K for the year ended December 31, 2015, our Forms 10-Q for the first, second and third quarters of 2016, and this Form 10-K for the year ended December 31, 2016, we have experienced delays in our ongoing efforts to complete all steps and tasks necessary to finalize financial statements and other disclosures required to be in our Form 10-Q for the first quarter of 2017 and were not able to file our report by the SEC filing deadline in May 2017. On May 11, 2017, we filed a Form 12b-25 Notification of Late Filing with the SEC with respect to our Form 10-Q for the first quarter of 2017. We continue to work to complete, as soon as practicable, all steps and tasks necessary to finalize our financial statements and other disclosures required to be included in our periodic filings with the SEC. There can be no assurance that our future periodic reports will not be delayed for similar reasons. Continued delays in the filing of our periodic reports with the SEC could have a material adverse effect on the Company. See *"Continued delays in the filing of our reports with the SEC, as well as further delays in the preparation of audited financial statements at the project level, could have a material adverse effect,"* in *Item 1A. Risk Factors* for additional information, including certain of the risks associated with these delays.

Sale of substantially all of the Company's U.K. Portfolio

On May 11, 2017, we announced that Terra Operating LLC completed its previously announced sale of a portfolio of 24 operating solar projects in the United Kingdom representing 365.0 MW (the "U.K. Portfolio") to Vortex Solar UK Limited, a renewable energy platform managed by the private equity arm of EFG Hermes, an investment bank. Terra Operating LLC received approximately $211 million of proceeds from the sale, net of transaction expenses and distributions taken from the U.K. Portfolio after announcement and before closing of the sale, which is expected to be used for the reduction of the Company's indebtedness. The sale also resulted in a reduction in the Company's non-recourse project debt by approximately GBP 301 million at the U.K. Portfolio level. We have retained 11.1 MW of solar assets in the United Kingdom.

Residential Portfolio Sale

We began exploring a sale of substantially all of our portfolio of residential rooftop solar assets located in the United States through a strategic sales process in 2016, and these assets were determined to meet the criteria to be classified as held for sale during the fourth quarter of 2016. Our analysis indicated that the carrying value of the assets exceeded the fair value less costs to sell, and as a result, an impairment charge of $15.7 million was recognized within impairment of renewable energy facilities in the consolidated statement of operations for the year ended December 31, 2016. We also recorded a $3.3 million charge within impairment of renewable energy facilities for the year ended December 31, 2016 due to the decision to abandon certain residential construction in progress assets that were not completed by SunEdison as a result of the SunEdison Bankruptcy.

On March 14, 2017, Enfinity SPV Holdings 2, LLC, a subsidiary of the Company, entered into a membership interest purchase and sale agreement with Greenbacker Residential Solar II, LLC for the sale of 100% of the membership interests of Enfinity Colorado DHA 1, LLC, a Colorado limited liability company that owns and operates 2.5 MW of solar installations situated on the roof of public housing units located in Colorado and owned by the Denver Housing Authority. We received net proceeds of $1.1 million upon the closing of this transaction on March 31, 2017. In addition, the Company entered into a membership interest purchase and sale agreement with Greenbacker Residential Solar II, LLC on June 12, 2017 for the sale of 100% of the membership interests of TerraForm Resi Solar Manager, LLC, a subsidiary of the Company, which owns and operates 8.9 MW of rooftop solar installations. The transaction closed on June 30, 2017; we received net proceeds of $5.4 million upon closing and expect to receive an additional $0.6 million in the third quarter of 2017.

Upsize to Canada project-level financing

On November 2, 2016, certain of our subsidiaries entered into a new non-recourse loan financing in an aggregate principal amount of $120.0 million Canadian dollars (“CAD”) (including a CAD $6.9 million letter of credit) secured by approximately 40 MW(ac) of utility scale solar power plants located in Canada that are owned by our subsidiaries. On February 28, 2017, we increased the principal amount of the credit facility by an additional CAD $113.9 million (including an additional CAD $6.7 million letter of credit), increasing the total facility to CAD $233.9 million. The proceeds of this additional financing are expected to be used for general corporate purposes and were used to pay down an additional $5.0 million on the Revolver per the terms of the consent agreement and ninth amendment to the Revolver entered into on September 27, 2016. The revolving commitments and borrowing capacity for the Revolver were also reduced by $5.0 million.

Revolver Amendments

The terms of the Revolver require the Company to provide audited annual financial statements within 90 days after the end of the fiscal year, with a 10-business day cure period. On April 5, 2017, we entered into a tenth amendment to the terms of the Revolver, which provided that the date on which we must deliver to the Administrative Agent and other parties to the Revolver our annual financial statements and accompanying audit report with respect to fiscal year 2016 and our financial plan for fiscal year 2017 would be extended to April 28, 2017.

On April 26, 2017, we entered into an eleventh amendment to the terms of the Revolver, which further extended the due date for delivery of our 2016 annual financial statements and accompanying audit report to the earlier of (a) July 15, 2017 and (b) the tenth business day prior to the date on which the failure to deliver such financial statements would constitute an event of default under our Indentures. As discussed below, an event of default would not have occurred under our Indentures until July 31, 2017. This Form 10-K for the year ended December 31, 2016 was filed within the 10-business day cure period that commenced on July 15, 2017, and consequently no event of default occurred under the Revolver with respect to this filing. The eleventh amendment also extended the due date for delivery to the Administrative Agent and other parties to the Revolver for our financial statements and accompanying information with respect to the fiscal quarter ended March 31, 2017 to July 31, 2017 and with respect to the fiscal quarters ending June 30, 2017 and September 30, 2017 to the date that is 75 days after the end of each such fiscal quarter, with a 10-business day cure period for each quarterly deliverable.

The eleventh amendment amends the Debt Service Coverage Ratio (as defined in the Revolver credit and guaranty agreement) applicable to the fourth quarter of 2016, and first, second and third quarters of 2017 from 1.75:1.00 to 1.50:1.00. The amendment also amends the Leverage Ratio (as defined therein) applicable to the fourth quarter of 2016 from 6.00:1.00 to 6.50:1.00 and applicable to the first, second and third quarters of 2017 from 5.75:1.00 to 6.50:1.00. In addition, the amendment amends the definitions of Debt Service Coverage Ratio and Leverage Ratio to provide for, in each case, certain pro forma treatment of the repayment or refinancing of Non-Recourse Project Indebtedness (as defined therein) net of any new Non-Recourse Project Indebtedness incurred in connection with any such refinancing. Per the terms of the eleventh amendment, we agreed to prepay $50.0 million of revolving loans outstanding under the Revolver and permanently reduce the revolving commitments and borrowing capacity by such amount. This amount was repaid on May 3, 2017. After giving effect to this reduction, the total borrowing capacity under the Revolver is now $570.0 million.

Senior Notes Default Notices

The Senior Notes due 2023 and the Senior Notes due 2025 require the Company to timely file with the SEC, or make publicly available, audited annual financial statements and unaudited quarterly financial statements no later than 60 days following the date required by the SEC's rules and regulations (including extensions thereof). The Company has a 90-day grace period from the date a notice of default is deemed to be duly given to Terra Operating LLC in accordance with the Senior Notes due 2023 and the Senior Notes due 2025. On May 2, 2017, Terra Operating LLC received a notice from the trustee of an event of default for failure to deliver 2016 audited annual financial statements and thus had until July 31, 2017 to deliver its 2016 audited financial statements before an event of default would occur under the Indentures. However, this Form 10-K for the year ended December 31, 2016 was filed with the SEC within the grace period for delivery, and consequently no event of default occurred with respect to this filing.

On July 11, 2017, Terra Operating LLC received a notice from the trustee of an event of default for failure to comply with its obligation to timely furnish the Company's Form 10-Q for the first quarter of 2017. However, an event of default will not occur under the Indentures with respect to the Form 10-Q for the first quarter of 2017 unless such Form 10-Q is not filed within the 90-day grace period that commenced on July 11, 2017.

Changes within Our Portfolio

The following table provides an overview of the changes within our portfolio from December 31, 2015 through December 31, 2016 and June 30, 2017:

Description	Source	Facility Type	Net Nameplate Capacity (MW)[1]	Number of Sites	Weighted Average Remaining Duration of PPA (Years)[2]
Total Portfolio as of December 31, 2015			2,966.9	3,054	16
Additions to the Blackhawk Solar portfolio	SunEdison	Solar	18.0	1	19
Additions to the SUNE XVIII portfolio	SunEdison	Solar	1.2	3	19
Additions to the MPI portfolio	Third Party	Solar	0.9	3	16
Resi 2015 Portfolio I terminations	SunEdison	Solar	(4.0)	(560)	N/A
Adjustment to Duke Operating sites[3]	N/A	Solar	—	2	N/A
Total Portfolio as of December 31, 2016			2,983.1	2,503	15
Sale of U.K. Utility Solar Portfolio	N/A	Solar	(208.4)	(14)	(13)
Sale of Fairwinds & Crundale	N/A	Solar	(55.9)	(2)	(12)
Sale of Stonehenge Q1	N/A	Solar	(41.2)	(3)	(12)
Sale of Stonehenge Operating	N/A	Solar	(23.6)	(3)	(11)
Sale of Says Court	N/A	Solar	(19.8)	(1)	(12)
Sale of Crucis Farm	N/A	Solar	(16.1)	(1)	(12)
Sale of Resi 2015 Portfolio I	N/A	Solar	(8.9)	(1,246)	(18)
Sale within Resi 2014 Portfolio 1	N/A	Solar	(2.5)	(666)	(15)
Total Portfolio as of June 30, 2017			2,606.7	567	14

(1) Net nameplate capacity represents the maximum generating capacity at standard test conditions of a facility multiplied by the Company's percentage of economic ownership of that facility after taking into account any redeemable preference shares and stockholder loans the Company holds. Our percentage of economic ownership is subject to change in future periods for certain facilities. Further note the total amount as of December 31, 2016 within the table above does not foot due to rounding.

(2) Calculated as of December 31, 2015, December 31, 2016 and June 30, 2017, respectively.

(3) Reflects an adjustment to number of sites.

Our Portfolio

Our current portfolio consists of renewable energy facilities located in the United States (including Puerto Rico), Canada, Chile and the United Kingdom with a combined nameplate capacity of 2,606.7 MW as of June 30, 2017. These renewable energy facilities generally have long-term PPAs with creditworthy counterparties. Our PPAs have a weighted average (based on MW) remaining life of 14 years as of June 30, 2017.

The following table lists the renewable energy facilities that comprise our portfolio as of June 30, 2017:

Facility Category / Portfolio	Location	Nameplate Capacity (MW)	Net Nameplate Capacity (MW)[1]	Number of Sites	Weighted Average Remaining Duration of PPA (Years)[2]	Counterparty Credit Rating[3]
Solar Distributed Generation:						
CD DG Portfolio	U.S.	77.8	77.8	42	16	A- / A1
DG 2015 Portfolio 2	U.S.	48.1	48.1	30	19	AA- / Aa2
U.S. Projects 2014	U.S.	45.4	45.4	41	17	AA- / A1
DG 2014 Portfolio 1	U.S.	44.0	44.0	46	18	AA- / Aa2
TEG	U.S.	33.8	32.0	56	13	AA- / Aa2
HES	U.S.	25.2	25.2	67	12	AA / Aa2
MA Solar	U.S.	21.1	21.1	4	24	AA / Aaa
Summit Solar Projects	U.S.	19.6	19.6	50	10	AA+ / Aa1
U.S. Projects 2009-2013	U.S.	15.2	15.2	73	13	A / A1
SUNE XVIII	U.S.	16.1	16.1	21	19	AAA / Aaa
California Public Institutions	U.S.	13.5	7.0	5	17	AA- / Aa3
Enfinity	U.S.	13.2	13.2	15	15	A- / A2
MA Operating	U.S.	12.2	12.2	4	16	AA+ / Aa2
Duke Operating	U.S.	10.0	10.0	3	13	A- / A1
SunE Solar Fund X	U.S.	8.8	8.8	12	14	AA+ / Aa1
Summit Solar Projects	Canada	3.8	3.8	7	15	NR / Aa2
MPI	Canada	4.7	4.7	13	17	NR / Aa2
Resi 2014 Portfolio 1	U.S.	0.3	0.3	34	14	NR / NR
Total Solar Distributed Generation		412.8	404.5	523	16	AA- / Aa3
Solar Utility:						
Mt. Signal	U.S.	265.8	265.8	1	22	A+ / Aa2
Regulus Solar	U.S.	81.6	81.6	1	17	BBB+ / A3
Blackhawk Solar Portfolio	U.S.	72.8	72.8	10	20	AA+ / Aa2
North Carolina Portfolio	U.S.	26.4	26.4	4	12	A / Aa2
Atwell Island	U.S.	23.5	23.5	1	21	BBB / A3
Nellis	U.S.	14.0	14.0	1	10	NR / NR
Alamosa	U.S.	8.2	8.2	1	10	A- / A3
CalRENEW-1	U.S.	6.3	6.3	1	13	BBB / A3
Northern Lights	Canada	25.4	25.4	2	16	NR / Aa2
Marsh Hill	Canada	18.5	18.5	1	18	NR / Aa2
SunE Perpetual Lindsay	Canada	15.5	15.5	1	17	NR / Aa2
Norrington	U.K.	11.1	11.1	1	12	A- / Baa1
CAP	Chile	101.6	101.6	1	17	BB+ / NR
Total Solar Utility		670.7	670.7	26	19	A / Aa3

Facility Category / Portfolio	Location	Nameplate Capacity (MW)	Net Nameplate Capacity (MW)[1]	Number of Sites	Weighted Average Remaining Duration of PPA (Years)[2]	Counterparty Credit Rating[3]
Wind Utility:						
South Plains I	U.S.	200.0	200.0	1	11	BBB+ / A3
California Ridge	U.S.	217.1	195.6	1	15	AA+ / Aaa
Bishop Hill	U.S.	211.4	190.5	1	15	AA+ / Aaa
Rattlesnake	U.S.	207.2	186.7	1	11	BBB+ / Baa1
Prairie Breeze	U.S.	200.6	180.7	1	22	AA / Aa2
Cohocton	U.S.	125.0	125.0	1	3	BBB+ / Baa1
Stetson I & II	U.S.	82.5	82.5	2	3	BBB / Baa2
Rollins	U.S.	60.0	60.0	1	14	A- / A2
Mars Hill	U.S.	42.0	42.0	1	3	A+ / Aa2
Sheffield	U.S.	40.0	40.0	1	11	A+ / NR
Bull Hill	U.S.	34.5	34.5	1	10	A / A2
Kaheawa Wind Power I	U.S.	30.0	30.0	1	9	BBB- / NR
Kahuku	U.S.	30.0	30.0	1	14	BBB- / Baa2
Kaheawa Wind Power II	U.S.	21.0	21.0	1	15	BBB- / NR
Steel Winds I & II	U.S.	35.0	35.0	2	3	BBB+ / A3
Raleigh	Canada	78.0	78.0	1	14	NR / Aa2
Total Wind Utility		1,614.3	1,531.5	18	12	A / A1
Total Renewable Energy Facilities		2,697.8	2,606.7	567	14	A / Aa3

(1) Net nameplate capacity represents the maximum generating capacity at standard test conditions of a facility multiplied by the Company's percentage of economic ownership of that facility after taking into account any redeemable preference shares and stockholder loans the Company holds. Our percentage of economic ownership is subject to change in future periods for certain facilities.

(2) Calculated as of June 30, 2017.

(3) Represents counterparty credit rating issued by S&P and/or Moody's as of May 16, 2017. The percentage of counterparties based on MW that are rated by S&P and/or Moody's for our utility-scale Blackhawk Solar Portfolio, which has multiple counterparties, is 42%. The percentage of counterparties based on MW that are rated by S&P and/or Moody's for our distributed generation portfolios with multiple counterparties is as follows:

- CD DG Portfolio: 99%
- DG 2014 Portfolio 1: 81%
- DG 2015 Portfolio 2: 85%
- Enfinity: 96%
- HES: 78%
- TEG: 84%
- MA Solar: 72%
- Summit Solar Projects (U.S.): 78%
- SunE Solar Fund X: 78%
- SUNE XVIII: 53%
- U.S. Projects 2009-2013: 76%
- U.S. Projects 2014: 94%

Call Right Projects

We entered into a project support agreement with SunEdison in connection with our IPO (the "Support Agreement"), which required SunEdison to offer us additional qualifying projects from its development pipeline that represented at least $175.0 million of cash available for distribution. In addition, we entered into an agreement with SunEdison in connection with the First Wind acquisition (the "Intercompany Agreement"), pursuant to which we were granted additional call rights with respect to certain projects in the First Wind pipeline.

Subject to the satisfaction of the conditions to the effectiveness of the Settlement Agreement, the Support Agreement and Intercompany Agreement will be rejected as part of the Settlement Agreement entered into with SunEdison without further liability, claims or damages on the part of the Company. At the closing of the Merger, however, we expect to enter into the Relationship Agreement with Brookfield pursuant to which Brookfield and its affiliates will provide the Company with a right of first offer on certain operating wind and solar assets that are owned by Brookfield and its affiliates and are located in North America and certain other Western European nations.

We believe we continue to maintain a call right over 0.5 GW (net) of interests in operating wind power plants that are owned by a warehouse vehicle that was owned and arranged by SunEdison (the "AP Warehouse"). We believe SunEdison has sold or is in the process of selling its equity interest in the AP Warehouse to an unaffiliated third party, and we are currently evaluating our alternatives with regard to these assets.

Seasonality and Resource Availability

The amount of electricity produced and revenues generated by our solar generation facilities is dependent in part on the amount of sunlight, or irradiation, where the assets are located. As shorter daylight hours in winter months results in less irradiation, the electricity generated by these facilities will vary depending on the season. Irradiation can also be variable at a particular location from period to period due to weather or other meteorological patterns, which can affect operating results. As the great majority of our solar power plants are located in the Northern hemisphere, our solar portfolio's power generation will be at its lowest during the fourth quarter of each year. Therefore, we expect our fourth quarter solar revenue generation to be lower than other quarters.

Similarly, the electricity produced and revenues generated by our wind power plants depend heavily on wind conditions, which are variable and difficult to predict. Operating results for wind power plants vary significantly from period to period depending on the wind conditions during the periods in question. As our wind power plants are located in geographies with different profiles, there is some flattening of the seasonal variability associated with each individual wind power plant's generation, and we expect that as the fleet expands the effect of such wind resource variability may be favorably impacted, although we cannot guarantee that we will purchase wind power facilities that will achieve such results in part or at all. Historically, our wind production is greater in the first and fourth quarters which can partially offset the lower solar revenue expected to be generated in the fourth quarter.

We do not expect seasonality to have a material effect on the amount of our quarterly dividends. Although we are currently deferring a decision on making dividend payments in the prudent conduct of our business, we intend to revert to a situation where we reserve a portion of our cash available for distribution and maintain sufficient liquidity, including cash on hand in order to, among other things, facilitate the payment of dividends to our stockholders.

Competition

Power generation is a capital-intensive business with numerous industry participants. We compete to acquire new renewable energy facilities with renewable energy developers who retain renewable energy asset ownership, independent power producers, financial investors and certain utilities. We compete to supply energy to our potential customers with utilities and other providers of distributed generation. We compete with other renewable energy developers, independent power producers and financial investors based on our cost of capital, development expertise, pipeline, global footprint and brand reputation. To the extent we re-contract renewable energy facilities upon termination of a PPA or sell electricity into the merchant power market, we compete with traditional utilities and other independent power producers primarily based on low cost of capital, generation located at customer sites, operations and management expertise, price (including predictability of price), green attributes (such as RECs and tax incentives) of renewable power, the ease by which customers can switch to electricity generated by our renewable energy facilities. In our merchant power sales, we also compete with other types of generation resources, including gas and coal-fired power plants.

Environmental Matters

We are subject to environmental laws and regulations in the jurisdictions in which we own and operate renewable energy facilities. These laws and regulations generally require that governmental permits and approvals be obtained and maintained both before construction and during operation of these renewable energy facilities. We incur costs in the ordinary course of business to comply with these laws, regulations and permit requirements. While we do not expect that the costs of compliance would generally have a material impact on our business, financial condition or results of operations, it is possible that as the size of our portfolio grows we may become subject to new or modified regulatory regimes that may impose unanticipated requirements on our business as a whole that were not anticipated with respect to any individual renewable energy facility. We also do not anticipate material capital expenditures for environmental compliance for our renewable energy facilities in the next several years. These laws and regulations frequently change and often become more stringent, or subject to more stringent interpretation or enforcement, and therefore future changes could require us to incur materially higher costs which could have a material negative impact on our financial performance or results of operations.

Regulatory Matters

All of the renewable energy facilities located in the United States that the Company owns are QFs as defined under the Public Utilities Regulatory Policies Act of 1978, as amended ("PURPA") or Exempt Wholesale Generators ("EWGs"). As a result, they are exempt from the books and records access provisions of the Public Utilities Holding Company Act of 2005, as amended ("PUHCA"), and most are exempt from state organizational and financial regulation of electric utilities. Depending upon the power production capacity of the renewable energy facility in question, our QFs and their immediate project company owners may be entitled to various exemptions from ratemaking and certain other regulatory provisions of the Federal Power Act, as amended ("FPA").

All of the renewable energy facility companies that we own outside of the United States are Foreign Utility Companies, as defined in PUHCA. They are exempt from state organizational and financial regulation of electric utilities and from most provisions of PUHCA and FPA.

The Company owns a number of renewable energy facilities in the United States with a net power production capacity greater than 20 MW (AC). Each project company that owns such a facility that is subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC"), under the FPA has obtained “market based rate authorization” and associated blanket authorizations and waivers, which allows it to sell electricity, capacity and ancillary services at wholesale or negotiated market based rates, instead of cost-of-service rates, as well as waivers of, and blanket authorizations under, certain FERC regulations that are commonly granted to market based rate sellers. FERC requires market based rate holders to make additional filings upon certain triggering events in order to maintain market based rate authority. The failure to make timely filings can result in suspension of market based rate authority, refunds of revenues previously collected and the imposition of civil penalties.

Under Section 203 of the FPA (“FPA Section 203”), prior authorization by FERC is generally required for any direct or indirect acquisition of control over, or merger or consolidation with, a “public utility” or in certain circumstances an “electric utility company,” as such terms are used for purposes of FPA Section 203. FERC generally presumes that the acquisition of direct or indirect voting power of 10% or more in an entity results in a change in control of such entity. Violation of FPA Section 203 can result in civil or criminal liability under the FPA, including civil penalties, and the possible imposition of other sanctions by FERC, including the potential voiding of an acquisition made without prior authorization under FPA Section 203. Depending upon the circumstances, liability for violation of FPA Section 203 may attach to a public utility, the parent holding company of a public utility or an electric utility company, or to an acquirer of the voting securities of such holding company or its public utility or electric utility company subsidiaries.

The Company’s renewable energy facilities are also subject to compliance with the mandatory Reliability Standards developed by the North American Electric Reliability Corporation ("NERC") and approved by FERC. In the United Kingdom, Canada and Chile, the Company is also generally subject to the regulations of the relevant energy regulatory agencies applicable to all producers of electricity under the relevant feed-in tariff or other governmental incentive (collectively "FIT") regulations (including the FIT rates); however it is generally not subject to regulation as a traditional public utility, i.e., regulation of our financial organization and rates other than FIT rates.

As the size of our portfolio grows, it may become subject to new or modified regulatory regimes that may impose unanticipated requirements on its business as a whole that were not anticipated with respect to any individual renewable energy facility. For example, the NERC rules approved by FERC impose fleetwide cyber security requirements regarding electronic and physical access to generating facilities in order to protect system reliability; such requirements expand in scope after the point at which a single owner has more than 1,500 MW of reliability assets under its control in a single connection and expand again once the owner has more than 3,000 MW under construction. Such future changes in our regulatory status or the makeup of our fleet could require it to incur materially higher costs which could have a material adverse impact on its financial performance or results of operations.

Government Incentives

Each of the United States, Canada and Chile has established various incentives and financial mechanisms to reduce the cost of renewable energy and to accelerate the adoption of solar and wind energy. These incentives include tax credits, cash grants, favorable tax treatment and depreciation, rebates, RECs or green certificates, net energy metering programs and other incentives. These incentives help catalyze private sector investments in renewable energy and efficiency measures. Changes in the government incentives in each of these jurisdictions could have a material impact on our financial performance.

While we are currently subject to lighter regulation than a traditional utility under United States federal or state law and regulations or the laws and regulations of our foreign markets, we could become more highly regulated in the future.

As the owner of renewable energy facilities in the United States, each of which is either a QF or an EWG, we currently are subject to fewer federal and state standards, restrictions and regulatory requirements than would otherwise be applicable to United States utility companies. As our utility-scale business grows, certain facilities may no longer be eligible for exemption under PURPA from the rate-making or other provisions of the FPA, which would require increased compliance with public utility regulations. Similarly, although we are not currently subject to regulation as an electric utility in the foreign markets in which we provide our renewable energy services, our regulatory position in these markets could change in the future. Any local, state, federal or international regulations could place significant restrictions on our ability to operate our business and execute our business plan by prohibiting or otherwise restricting the sale of electricity by us. If we were deemed to be subject to the same state, federal or foreign regulatory authorities as traditional utility companies, or if new regulatory bodies were established to oversee the renewable energy industry in the United States or in our foreign markets, our operating costs could materially increase, adversely affecting our results of operations.

United States

Federal government support for renewable energy

The federal government provides an uncapped investment tax credit, or "Federal ITC," that allows a taxpayer to claim a credit of 30% of qualified expenditures for a residential or commercial solar generation facility, for which construction begins by the end of 2019. This investment tax credit is currently scheduled to gradually be reduced to 10% for solar generation facilities commencing construction before December 31, 2022 with permanence thereafter. The U.S. Congress could reduce the ITC to below 30% prior to the end of 2019, reduce the ITC to below 10% for periods after 2022 or replace the expected 10% ITC with an untested production tax credit of an unknown amount. PTCs, which are federal income tax credits related to the quantity of renewable energy produced and sold during a taxable year, or ITCs in lieu of PTCs, are available only for wind power plants that began construction on or prior to December 31, 2019. The Wind PTC and ITC are extended to 2019 but reduced 20% in 2017, 40% in 2018 and 60% in 2019 before expiring in 2020. PTCs and accelerated tax depreciation benefits generated by operating renewable energy facilities can be monetized by entering into tax equity financing agreements with investors that can utilize the tax benefits, which have been a key financing tool for renewable energy facilities. The federal government also provides accelerated depreciation for eligible renewable energy facilities. Based on our portfolio of assets, we will benefit from Federal ITC, Federal PTC and an accelerated tax depreciation schedule, and we will rely on financing structures that monetize a substantial portion of these benefits and provide financing for our renewable energy facilities at the lowest cost of capital.

State government support for renewable energy

Many states offer a personal and/or corporate investment or production tax credit for renewable energy facilities, which is additive to the Federal ITC. Further, more than half of the states, and many local jurisdictions, have established property tax incentives for renewable energy facilities that include exemptions, exclusions, abatements and credits. Certain of our renewable energy facilities in the U.S. have been financed with a tax equity financing structure, whereby the tax equity investor is a member holding equity in the limited liability company that directly or indirectly owns the solar generation facility or wind power plant and receives the benefits of various tax credits.

Many state governments, utilities, municipal utilities and co-operative utilities offer a rebate or other cash incentive for the installation and operation of a renewable energy facility for energy efficiency measures. Capital costs or "up-front" rebates provide funds to solar customers based on the cost, size or expected production of a customer's renewable energy facility. Performance-based incentives provide cash payments to a system owner based on the energy generated by their renewable energy facility during a pre-determined period, and they are paid over that time period. Some states also have established FIT programs that are a type of performance-based incentive where the system owner-producer is paid a set rate for the electricity their system generates over a set period of time.

There are 41 states that have a regulatory policy known as net metering. Net metering typically allows our customers to interconnect their on-site solar generation facilities to the utility grid and offset their utility electricity purchases by receiving a bill credit at the utility's retail rate for energy generated by their solar generation facility in excess of electric load that is exported to the grid. At the end of the billing period, the customer simply pays for the net energy used or receives a credit at the retail rate if more energy is produced than consumed. Some states require utilities to provide net metering to their customers until the total generating capacity of net metered systems exceeds a set percentage of the utilities' aggregate customer peak demand.

Some of our solar generation facilities in Massachusetts participate in what is known as Virtual Net Metering. Virtual Net Metering in Massachusetts enables solar generation facilities to be sited remotely from the customer's meter and still receive a credit against their monthly electricity bill. We bill the customer at a fixed rate or for a percentage of the credit they received which is derived from the G-1 electricity tariff. In addition, multiple customers may be designated as credit recipients from a renewable energy facility, provided they are all within the same Local Distribution Company service territory and load zone. The Virtual Net Metering structure provides a material electricity offtaker credit enhancement for our solar generation facilities by creating the ability to sell to hundreds of entities that are located remotely from the renewable energy facility location within the required area. The authority for Virtual Net Metering in Massachusetts was established by the Green Communities Act of 2008 and would require a change in law to repeal the program.

Many states also have adopted procurement requirements for renewable energy production. There are 29 states that have adopted a renewable portfolio standard ("RPS") that requires regulated utilities to procure a specified percentage of total electricity delivered to customers in the state from eligible renewable energy sources, such as solar and wind power generation facilities, by a specified date. To prove compliance with such mandates, utilities must procure and retire RECs. System owners often are able to sell RECs to utilities directly or in REC markets.

RPS programs and targets have been a key driver of the expansion of solar and wind power and will continue to drive solar and wind power installations in many areas of the United States. In addition to the 29 states with RPS programs, eight other states have non-binding goals supporting renewable energy.

Canada

Federal government support for renewable energy

While provincial governments have jurisdiction over their respective intra-provincial electricity markets, from 2007 to 2011 the Canadian federal government supported the development of renewable energy through its ecoENERGY for Renewable Power program, which resulted in a total of 104 renewable energy facilities qualifying for funds, and will represent cash incentives of approximately CAD 1.4 billion over 14 years. It also encouraged an aggregate of approximately 4,500 MW of new renewable energy generating capacity. The program is now fully subscribed, and the Canadian federal government has not signaled an intention to renew it.

Provincial government support for renewable energy

Provincial governments have been active in promoting renewable energy in general and solar power in particular through RPS as well as through requests for proposal ("RFPs") and FIT programs for renewable energy. Several provinces are currently preparing new RFPs for renewable energy. Current provincial targets for renewable energy in those provinces with stated targets are outlined below.

Ontario. In 2009, the Green Energy and Green Economy Act, 2009 was passed into law and the Ontario Power Authority (which was merged with and continued as the Independent Electricity System Operator or "IESO," effective January 1, 2015) launched its FIT program, which offers stable prices under long-term contracts for electricity generation from renewable energy. In November 2010, the Ontario Ministry of Energy released the draft Supply Mix Directive and Long Term Energy Plan. Ontario, one of our markets, has been a leader in supporting the development of renewable energy through the Long Term Energy Plan, which calls for 10,700 MW of renewable energy generating capacity (excluding small-scale hydroelectricity power) by 2018. The Ontario Ministry of Energy is developing the next Long-Term Energy Plan which is expected to be released in the summer of 2017. Ontario was also the first jurisdiction in North America to introduce a FIT program, which has resulted in contracts being executed for approximately 4,710 MW of electricity generating capacity as of March 31, 2017.

In April and July of 2012, the Ontario Ministry of Energy implemented version 2.0 of the FIT program, which, among other things, reduced contract prices for new solar generation facilities, limited the acceptance of applications to specific application windows, and prioritized projects based upon project type (community participation, Aboriginal participation, public infrastructure participation), municipal and Aboriginal support, project readiness and electricity system benefit. The revisions to the FIT program did not affect FIT contracts issued prior to October 31, 2011. Prices under the FIT program were reviewed annually, with prices established in November to take effect January 1 of the following year. Such price changes did not affect previously issued FIT contracts but, rather, only FIT contracts entered into subsequent to the price change. The revisions had the potential, however, to make renewable energy facility economics less attractive (because of the PPA price reduction) and by granting priority points or status to certain types of renewable energy facilities, to make it more difficult to obtain PPAs.

The FIT program was further renewed by the Ontario Ministry of Energy for FIT 3 (123.5 MW) awarded in the summer of 2014, FIT 3 Extension (100 MW) awarded in December 2014 and FIT 4 (241.4 MW) awarded in the summer of 2016. On April 5, 2016, the Ontario Ministry of Energy directed the IESO to commence a further renewal (FIT 5). The application period for the FIT 5 (150 MW) program closed on November 28, 2016, and FIT 5 contracts are expected to be offered in the third quarter of 2017. On December 16, 2016, the Ontario Ministry of Energy directed that the 2016 application period (FIT 5) shall be the final application period for the FIT program and directed the IESO to cease accepting applications under the FIT program by December 31, 2016. From 2014 through 2016, the FIT program was available for renewable energy facilities from 10 kW to 500 kW.

There is also a “microFIT” program for renewable energy facilities under 10 kW. On April 5, 2016, the Ontario Ministry of Energy directed the IESO to cease accepting applications under the microFIT program by December 31, 2017. The microFIT program is being transitioned to a net-metering program and on July 1, 2017, amendments to Ontario's net-metering regulation came into effect.

On June 12, 2013, December 16, 2013, March 31, 2014, and November 7, 2014, the Ontario Ministry of Energy directed the Ontario Power Authority (now the IESO) to develop a new competitive process for the procurement of renewable energy facilities larger than 500 kW. On March 10, 2015 (as amended on June 12, 2015 and July 31, 2015), IESO issued a Request for Proposals for Procurement of up to 565 MW of New Large Renewable Energy Projects, or “LRP I RFP”. The LRP I RFP process concluded in April 2016, with the execution of approximately 455 MW of new wind, solar and water power contracts. On July 29, 2016, the IESO issued a Request for Qualifications for further Large Renewable Procurement ("LRP II RFQ"). The LRP II RFQ process was cancelled by the IESO on September 27, 2016, as directed by the Ontario Ministry of Energy.

Other Provinces. Provincial support for renewable energy in other provinces includes the following objectives:

- Alberta: To generate 30% of electricity from renewable sources by 2030. The Government of Alberta announced on March 24, 2017 that the first competition under Alberta's Renewable Electricity Program would open on March 31, 2017, seeing companies bidding to provide up to 400 MW of renewable energy. The Request for Proposal (RFP) stage of this first competition is expected to open on September 15, 2017.
- British Columbia: To achieve energy self-sufficiency by 2016 with at least 93% of net electricity generation from clean or renewable sources.
- New Brunswick: To meet 40% of provincial electricity demand with renewable sources by 2020.
- Nova Scotia: To generate 25% and 40% of net electricity generation from new (post-2001) sources of renewable energy by 2015 and 2020, respectively.
- Saskatchewan: To achieve 50% renewables-sourced electricity generation by Crown utility company, SaskPower, by 2030. As part of this objective, SaskPower is moving forward with its competitive process for the selection of energy producers for utility-scale solar (10 MW) and wind (200 MW) projects.

Chile

Chile currently has two major electricity grids, the Central Interconnected System (“SIC”) and the Greater Northern Interconnected System (“SING”). A project to inter-connect and unite the SIC and the SING, thus creating a single major electricity grid in the country, called the National Energy System (the "Sistema Eléctrico Nacional", or "SEN"), is currently under construction. According to recent reports, the interconnection is expected to be operational by 2018.

As of January 1, 2017, these two main grids (and afterwards the SEN) consolidated their system operations under a single independent system operator, the National Electric Coordinator ("Coordinador Eléctrico Nacional", or "CEN"). The CEN's main functions include ensuring a reliable, adequate supply of electricity into the system, directing the dispatch of generating facilities to assure an efficient, reliable and economic operations, monitoring market competition and payments in the system and reporting on the use of energy from renewable sources. The CEN is subject to the oversight by the National Energy Commission (the "Comisión Nacional de Energía", or "CNE").

In 2013, the Chilean government enacted law No. 20.698, which in turn amended law No. 20.257, the Non-Conventional Renewable Energy Law, which promotes the use of non-conventional renewable energy, or "NCRE," and defines the different types of technologies qualified as sources of NCRE as wind, solar, biomass, geothermal and small (<20MW) hydroelectric technology. The law requires that any load serving energy supplier must source a portion of the electricity from NCRE sources.

The current legislation requires that load serving energy suppliers who enter into contracts on or after July 1, 2013, must source at least 9% of their total supply from NCRE generation by 2017. That requirement increases by 1% annually, reaching 12% in 2020, with further increases to reach 20% in 2025. Suppliers can meet their NCRE requirements by developing their own NCRE generation capacity, purchasing from other market participants with excess NCRE credits, or paying the applicable fines for non-compliance.

The current penalty for non-compliance (at the current applicable exchange rate) is approximately US$28 per MWh of deficit with respect to such supplier's NCRE generation obligation, as certified as of March 1st of the following year. The penalty rate increases for the following three years to US$42 per MWh. Should the supplier comply for the following three years, the penalty rate would revert back to the base rate of US$28 per MWh.

On June 22, 2016, Law No. 20.928 was published, establishing a new “tariff parity” system. This system seeks to equalize tariff rates for residential customers both across the country, as well as within a supplier’s residential customer base. The Law and its terms are not yet in force, pending the issuance of the necessary enabling regulations.

Financial Information about Segments

The Company has two reportable segments: Solar and Wind. These segments comprise the Company's entire portfolio of renewable energy assets and are determined based on the management approach. This approach designates the internal reporting used by management for making decisions and assessing performance as the source of the reportable segments. The Company’s operating segments consist of Distributed Generation, North America Utility and International Utility that are aggregated into the Solar reportable segment and Northeast Wind, Central Wind, and Hawaii Wind that are aggregated into the Wind reportable segment. The operating segments have been aggregated as they have similar economic characteristics and meet all of the aggregation criteria. Corporate expenses include general and administrative expenses, acquisition costs, formation and offering related fees and expenses, interest expense on corporate-level indebtedness, stock-based compensation and depreciation, accretion and amortization expense. All net operating revenues for the years ended December 31, 2016, 2015 and 2014 were earned by the Company's reportable segments from external customers in the United States (including Puerto Rico), Canada, the United Kingdom and Chile.

Customer Concentration

For the year ended December 31, 2016, significant customers representing greater than 10% of total operating revenue were Tennessee Valley Authority and San Diego Gas & Electric, which accounted for 11.2% and 10.0%, respectively, of our consolidated operating revenues, net.

Employees

Historically, the Company has not had any employees. Through the end of 2016, the personnel that managed our operations (other than our Chairman and Interim Chief Executive Officer Peter Blackmore, our Chief Operating Officer, Tom Studebaker, and our Interim Chief Accounting Officer, David Rawden) were employees of SunEdison and their services were provided to the Company under the MSA or project-level asset management and O&M services agreements. In a number of cases, the personnel that have been providing services to us have in the past simultaneously provided services to SunEdison and/or TerraForm Global. Following the SunEdison Bankruptcy, as part of our efforts to create a stand-alone corporate organization, we have identified and established a retention program for key employees. As of January 1, 2017, the key employees that provide most of our corporate-level services were hired directly by the Company to ensure continuity of corporate operations. To date in 2017, we have also hired additional employees who previously were employed by SunEdison and provided services to us, including those focused on project-level operations. However, we continue to depend on a substantial number of outside contractors, including Messrs. Studebaker and Rawden who are employees of AlixPartners, LLP and whose services are provided pursuant to an engagement letter with an affiliate of AlixPartners, LLP, and SunEdison employees for certain of our continuing operations. As of June 30, 2017, the Company had 119 employees, the substantial majority of which were located in the United States.

Except for our Interim Chief Executive Officer, Peter Blackmore, our Executive Vice President and Chief Financial Officer, Rebecca Cranna, our Chief Operating Officer, Tom Studebaker, our Interim Chief Accounting Officer, David Rawden, and a limited number of other employees who continue to serve in the same functions for TerraForm Global for the time being, all other officers of the Company and substantially all of our non-officer personnel provide services exclusively to the Company. For more information regarding our executive officers also serving in the same roles for TerraForm Global, please refer to the risk factor entitled "*We may have conflicts of interest with TerraForm Global,*" within *Item 1A. Risk Factors*.

Geographic Information

The following table reflects operating revenues, net for the years ended December 31, 2016, 2015 and 2014 by geographic location:

	Year Ended December 31,		
(In thousands)	**2016**	**2015**	**2014**
United States (including Puerto Rico)	$ 528,513	$ 368,117	$ 87,502
Chile	28,065	27,148	23,130
United Kingdom	51,600	55,542	15,890
Canada	46,378	18,699	634
Total operating revenues, net	$ 654,556	$ 469,506	$ 127,156

Long-lived assets, net consist of renewable energy facilities and intangible assets as of December 31, 2016. As of December 31, 2015, this amount also included $55.9 million of goodwill, which was determined to be impaired during 2016 and fully written off. The following table is a summary of long-lived assets, net by geographic area:

(In thousands)	**December 31, 2016**	**December 31, 2015**
United States (including Puerto Rico)	$ 5,524,136	$ 5,876,846
Chile	175,204	181,756
United Kingdom	16,045	659,176
Canada	419,978	418,494
Total long-lived assets, net	6,135,363	7,136,272
Current assets	893,016	936,761
Other non-current assets[1]	677,486	144,376
Total assets	$ 7,705,865	$ 8,217,409

(1) As of December 31, 2016, includes $532.7 million and $19.5 million of non-current assets held for sale located in the United Kingdom and United States, respectively.

Available Information

We make available free of charge through our website (http://www.terraformpower.com) the reports we file with the SEC, including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The SEC maintains an internet site containing these reports and proxy and information statements at http://www.sec.gov. Any materials we file can be read and copied online at that site or at the SEC's Public Reference Room at 100 F Street, NE, Washington DC 20549, on official business days during the hours of 10:00 am and 3:00 pm. Information on the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330.

The following corporate governance documents are posted on our website at *www.terraformpower.com:*

- The TerraForm Power, Inc. Corporate Governance Guidelines;
- The TerraForm Power, Inc. Code of Business Conduct;
- The TerraForm Power, Inc. Conflict of Interests Policy;
- The TerraForm Power, Inc. Audit Committee Charter;
- The TerraForm Power, Inc. Corporate Governance and Conflicts Committee Charter; and
- The TerraForm Power, Inc. Compensation Committee Charter.

If you would like a printed copy of any of these corporate governance documents, please send your request to 7550 Wisconsin Avenue, 9th Floor, Bethesda, Maryland 20814.

The information on our website is not incorporated by reference into this annual report on Form 10-K.

Item 1A. Risk Factors.

The following pages discuss the principal risks we face. These include, but are not limited to, risks arising from the bankruptcy of our controlling shareholder, SunEdison. Any of these risk factors could have a significant or material adverse effect on our businesses, results of operations, financial condition or liquidity. They could also cause significant fluctuations and volatility in the trading price of our securities. Readers should not consider any descriptions of these factors to be a complete set of all potential risks and uncertainties that could affect us. These factors should be considered carefully together with the other information contained in this annual report and the other reports and materials filed by us with the SEC. Furthermore, many of these risks are interrelated, and the occurrence of certain of them may in turn cause the emergence or exacerbate the effect of others. Such a combination could materially increase the severity of the impact of these risks on our businesses, results of operations, financial condition and liquidity.

Risks Related to our Proposed Sponsorship Transaction with Brookfield and Certain of its Affiliates

The proposed Sponsorship Transaction is subject to a number of conditions, which may not be satisfied on a timely basis or at all.

On March 6, 2017, we entered into the Merger Agreement with certain affiliates of Brookfield. There can be no assurance that our entry into the Merger Agreement will result in any transaction being consummated, and speculation and uncertainty regarding the outcome of the proposed sponsorship transaction may adversely impact our business. Our Board has determined that the Merger Agreement, the Sponsorship Transaction and the transactions contemplated thereby are fair to, and in the best interests of, the Company and its stockholders and will submit the Merger Agreement to our stockholders for their consideration and will recommend that our stockholders adopt and approve the Merger Agreement and that our stockholders approve an amendment to our charter to reflect certain governance rights of affiliates of Brookfield following the consummation of the merger and other transactions set forth in the Merger Agreement. Approval of the proposal to adopt and approve the Merger Agreement requires (i) the affirmative vote of holders of a majority of the total voting power of the outstanding shares of our Class A common stock and Class B common stock entitled to vote thereon and (ii) the affirmative vote of holders of a majority of the outstanding shares of our Class A common stock entitled to vote thereon (excluding SunEdison, Brookfield and their respective affiliates or any person with whom any of them has formed a group). SunEdison holds a majority of the total voting power of our outstanding shares and has entered into a Voting and Support Agreement pursuant to which it has agreed to vote its shares of our Class B common stock in favor of the Merger Agreement. However, there can be no assurance that the Merger Agreement will be approved by a majority of our stockholders excluding SunEdison, Brookfield and their respective affiliates or any person with whom any of them has formed a group. As described more fully under *Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters* and the risk factor entitled "*Certain of our shareholders have accumulated large concentrations of holdings of our Class A shares*" below, certain of our stockholders hold large concentrations of our Class A common stock and may possess the ability to significantly impact the outcome of the requisite majority of the minority approval.

Concurrently with the execution and delivery of the Merger Agreement, SunEdison and the Company, along with certain of their respective subsidiaries, executed and delivered a Settlement Agreement, which, among other things, generally resolves claims, disputes and other issues arising from the historical sponsor relationship between the Company and SunEdison. On June 12, 2017, SunEdison submitted an amended disclosure statement pursuant to section 1125 of the Bankruptcy Code for purposes of soliciting votes to accept or reject a Joint Plan of SunEdison, Inc., et al. (the "Plan of Reorganization"). There is no assurance that the Plan of Reorganization will be approved by the requisite members of the bankruptcy estate of SunEdison or by the Bankruptcy Court. The Merger Agreement may be terminated at any time if the Settlement Agreement is terminated in accordance with its terms.

Completion of the Merger Agreement requires regulatory approvals from certain regulatory agencies, including approval by the Federal Energy Regulatory Commission and approval from certain state and foreign regulatory agencies. While the Company has begun the process of notifying agencies and obtaining approvals and is continuing to take actions to obtain the required regulatory approvals prior to closing or, as appropriate, to confirm that approvals will not be required prior to closing, there is no assurance that we will be able to obtain the requisite regulatory approvals. The waiting period applicable to the consummation of the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, has been terminated early.

In addition, certain of our stockholders may file litigation seeking to enjoin or delay the completion of the Merger Agreement. We may be required to expend significant resources, including legal fees and the time and attention of our executive officers and senior management, defending such litigation. The completion of the Merger Agreement may be delayed pending the resolution of any such litigation and an adverse ruling in any such lawsuit may prevent the Merger Agreement from being consummated.

We may not realize the expected benefits of the Sponsorship Transaction.

If the Sponsorship Transaction is consummated, the Company may not perform as we expect, or as the market expects, which could have an adverse effect on the price of our Class A common stock. Concurrently with the closing of the Merger Agreement, Brookfield and its affiliates will enter into various sponsorship obligations with respect to the Company, including the provision by Brookfield and its affiliates of strategic and investment management services pursuant to a Master Services Agreement, a pipeline of certain operating wind and solar assets located in North America and certain Western European nations to which the Company will have a right of first offer should Brookfield or its applicable affiliate decide to sell such asset (the ROFO Pipeline) under a Relationship Agreement with Brookfield and its affiliates and a $500 million secured revolving line of credit to TerraForm Power for acquisitions and permitted profit improving capital expenditures (the Sponsor Line Agreement). A wholly owned affiliate of Brookfield will also be given IDRs, a fixed and variable management fee, certain registration rights and certain governance rights to be reflected in amendments to our governing documents and the Terra LLC operating agreement, in addition to a governance agreement by and among the Company and affiliates of Brookfield.

There is no assurance that the projects in the ROFO Pipeline will be successfully acquired by the Company at attractive prices or at all. We do not have experience operating the particular projects in the ROFO Pipeline and we may experience difficulty integrating these projects into our fleet or successfully operating any projects we acquire from the ROFO Pipeline. The ROFO Pipeline is a right of first offer subject to the terms of the Relationship Agreement and is not a unilateral right to call or acquire an asset. Thus while the Company will not need to independently source the opportunity to acquire the assets in the ROFO Pipeline to the extent Brookfield and its affiliates elect to sell such assets, the Company may be required to compete with other third parties on price, terms or otherwise to acquire the assets in the ROFO Pipeline. In addition, we may not identify future acquisitions or be able to secure financing on attractive terms or at all for future acquisitions and we may not realize the expected benefits of the Sponsor Line. If the Sponsorship Transaction is consummated, Brookfield may not be able to maintain our current relationships with suppliers, lenders and other third parties. Brookfield lacks familiarity with our assets and may experience difficulty successfully managing our projects or replicating their previous management strategies. The foregoing risks may adversely affect our operational performance or limit our growth prospects, including our ability to grow our dividend per share.

The Merger Agreement contains provisions that limit the Company's ability to pursue alternatives to the Sponsorship Transaction with Brookfield and its affiliates, which could discourage a third party from making a competing transaction proposal.

The Merger Agreement contains provisions that make it more difficult for us to sell our business to a party other than Brookfield and its affiliates during the period between signing and the closing of the Merger Agreement and might discourage competing offers for a higher price or premium. These provisions include the general prohibition on our soliciting any alternative acquisition proposal or offer for a competing transaction, the requirement that we pay a termination fee of $50.0 million if the Merger Agreement is terminated in specified circumstances and the requirement that we submit the Merger Agreement to a vote of the Company's stockholders even if our Board changes its recommendation, subject to certain exceptions. Additionally, in certain circumstances if the Merger is not consummated, we may be required to reimburse Brookfield and its affiliates for up to $17.0 million of Brookfield and its affiliates' reasonable and documented expenses in connection with the Merger Agreement and the transactions contemplated thereby.

The pendency of the Sponsorship Transaction and related uncertainty could cause disruptions in our business, which could have an adverse effect on our business and financial results and the price of our Class A common stock.

We have important counterparties at every level of operations, including offtakers under our PPAs, corporate and project-level lenders and tax equity investors, suppliers and service providers. Uncertainty about the effect of the sponsorship with Brookfield may negatively affect our relationship with our counterparties due to concerns about the Brookfield sponsorship and its impact on our business. These concerns may cause counterparties to be more likely to reduce utilization of our services (or the provision of supplies or services) where the counterparty has flexibility in volume or duration or otherwise seek to change the terms on which they do business with us. These concerns may also cause our existing or potential new counterparties to be less likely to enter into new agreements or to demand more expensive or onerous terms, credit support, security or other conditions. Damage to our existing or potential future counterparty relationships may materially and adversely affect our business, financial condition and results of operations, including our growth strategy and the price of our Class A common stock.

In addition, as a result of the announcement and pendency of the Brookfield sponsorship, current and prospective employees could experience uncertainty about their future with the Company. These uncertainties may impair our ability to retain, recruit or motivate key personnel, and may negatively impact the productivity of current employees.

The Merger Agreement contains provisions that limit our ability to take certain actions prior to the consummation of the Merger without the consent of Brookfield. These provisions include limitations on our ability to pursue strategic transactions, undertake project acquisitions and undertake certain significant financing transactions, even if such actions would prove beneficial. These limitations may materially and adversely affect our business, financial condition and results of operations and prevent us from taking advantage of otherwise beneficial opportunities.

Our executive officers and directors may have interests that are different from, or in addition to, those of our stockholders generally.

Our executive officers and directors may have interests in the Sponsorship Transaction that are different from, or are in addition to, those of our stockholders generally. These interests include direct or indirect ownership of our common stock and restricted stock units and for executive officers, change of control and severance agreements. In addition, certain of our directors and executive officers are also directors or executive officers of TerraForm Global, Inc., which has also entered into a merger agreement with affiliates of Brookfield.

The successful consummation of the Sponsorship Transaction may result in significant employee departures, including turnover of our executive officers and members of our senior management.

If the Sponsorship Transaction is consummated, we may experience departures of a significant number of employees as a result of actual or perceived uncertainty of our employees about their future with the Company, as a result of strategic operating decisions by Brookfield or other factors related to the completion of the Sponsorship Transaction. In addition, we expect to experience changes to our executive officers and senior management. The governance agreements to be entered into between the Company and Brookfield in connection with the Sponsorship Transaction provide Brookfield the ability to indirectly appoint our Chief Executive Officer, Chief Financial Officer and General Counsel, and Brookfield will directly set the compensation of these officers. There is no assurance that we will be able to retain the other core members of our senior management team following the completion of the Sponsorship Transaction.

If we consummate the Sponsorship Transaction, we will be a "controlled company," controlled by Brookfield, whose interest in our business may be different from ours or other holders of our Class A common stock.

Following the completion of the Sponsorship Transaction, Brookfield and its affiliates will own an approximate 51% interest in the Company. The Merger Agreement and other agreements to be entered into in connection with the Sponsorship Transaction provide Brookfield and its affiliates with certain economic and management rights which are different from other holders of our Class A common stock. At the effective time of the merger, SunEdison will transfer certain IDRs currently held by SunEdison to an affiliate of Brookfield pursuant to an Incentive Distribution Rights Transfer Agreement, Terra LLC will enter into an amended and restated limited liability company agreement (the "New TERP LLC Agreement") and Brookfield, the Company and certain of their respective affiliates will enter into a Master Services Agreement (the Merger MSA). Pursuant to the terms of the New TERP LLC Agreement, cash distributions from Terra LLC will be allocated between the holders of the Class A Units in Terra LLC and the holders of the IDRs according to a fixed formula. In addition, pursuant to the terms of the Merger MSA, Brookfield and its affiliates will be entitled to certain fixed and variable management fees for services performed for the Company. As a result of these economic rights, Brookfield and/or its affiliates may have interests in our business that are different from our interests or the interests of the other holders of our Class A common stock.

Brookfield and its affiliates currently own interests in, manage and control, and may in the future own or acquire interests in, manage and/or control, other yield focused publicly listed and private electric power businesses that own clean energy assets, primarily hydroelectric facilities and wind assets, and other public and private businesses that own and invest in other real property and infrastructure assets. Affiliates of Brookfield have also agreed to acquire a 100% interest in TerraForm Global, Inc. pursuant to a pending merger agreement. Brookfield and its affiliates, including the chief executive officer, chief financial officer and general counsel of the Company, who would be employees of Brookfield or its affiliates following the consummation of the Merger, may have conflicts or potential conflicts, including resulting from the operation by Brookfield and its affiliates of their other businesses, including their other yield focused electric power businesses, including with respect to project dropdowns, and Brookfield's attention to and management of our business may be negatively affected by Brookfield and its affiliates' ownership and/or management of other power businesses and other public and private businesses that they own, control or manage.

For so long as Brookfield or another entity controls greater than 50% of the total outstanding voting power of our common stock, we will be considered a "controlled company" for the purposes of the NASDAQ Global Select Market listing requirements. As a "controlled company," we are permitted to opt out of the NASDAQ Global Select Market listing requirements that require (i) a majority of the members of our Board to be independent, (ii) that we establish a compensation committee and a nominating and governance committee, each comprised entirely of independent directors and (iii) an annual performance evaluation of the nominating and governance and compensation committees. Following the completion of the Sponsorship Transaction, we may rely on exceptions with respect to having a majority of independent directors, establishing a compensation committee or nominating committee and annual performance evaluations of such committees. Brookfield or its affiliates may sell part or all of its stake in the Company which could result in a loss of the "controlled company" exemption under the NASDAQ Global Select Market rules. We would then be required to comply with those provisions of the NASDAQ Global Select Market on which we currently or in the future may rely upon exemptions.

Following the Sponsorship Transaction, Brookfield and its affiliates will control the Company and have the ability to designate a majority of the members of the Company's Board.

The governance agreements to be entered into between the Company and Brookfield and its affiliates in connection with the Sponsorship Transaction provide affiliates of Brookfield the ability to designate a majority of our Board to our Corporate Governance and Nominations Committee for nomination for election by our stockholders. Due to such agreements and Brookfield and its affiliates' approximate 51% interest in the Company, the ability of other holders of our Class A common stock to exercise control over the corporate governance of the Company will be limited. In addition, due to its approximate 51% interest in the Company, Brookfield and its affiliates will have a substantial influence on our affairs and its voting power will constitute a large percentage of any quorum of our stockholders voting on any matter requiring the approval of our stockholders. As discussed in the risk factor entitled "*If we consummate the Sponsorship Transaction, we will be a "controlled company," controlled by Brookfield and its affiliates, whose interest in our business may be different from ours or other holders of our Class A common stock*" above, Brookfield and its affiliates may hold certain interests that are different from ours or other holders of our Class A common stock and there is no assurance that Brookfield and its affiliates will exercise its control over the Company in a manner that is consistent with our interests or those of the other holders of our Class A common stock.

SunEdison may retain a large percentage of the shares of Class A common stock not owned by Brookfield and its affiliates and this ownership stake may cause SunEdison to have interests and incentives that are different than those of Brookfield or other holders of Class A Common stock.

In connection with the Sponsorship Transaction, SunEdison will convert its shares of our Class B common stock into shares of our Class A common stock on a one-to-one basis. In addition, immediately prior to the closing of the Merger, we will issue certain additional shares of our Class A common stock to SunEdison. Following these transactions, SunEdison may choose to retain a large percentage of the shares of our Class A common stock not owned by Brookfield and its affiliates. This concentration of ownership may reduce the liquidity of our Class A common stock and may also have the effect of delaying or preventing a future change in control of our company or discouraging others from making tender offers for our shares, which could depress the price per share a bidder might otherwise be willing to pay. Currently, however, through its plan of reorganization and a rights offering it is conducting in connection with its plan of reorganization, SunEdison is proposing to distribute or issue approximately 90% of the Class A common stock that SunEdison will hold following the closing of the Merger to its creditors. If SunEdison consummates its plan of reorganization and rights offering or otherwise liquidates a large number of shares of our Class A common stock, it may have the effect of reducing the trading price of our Class A common stock.

There can be no assurance that the Company will pay dividends or the amount of any dividends that are paid following a successful completion of the Sponsorship Transaction.

The amount of any dividends that are paid following a successful consummation of the Sponsorship Transaction is subject to a number of uncertainties, including the amount of cash available for distribution generated by our business. There can be no assurance that our business will perform as we expect, or as the market expects, following the consummation of the Sponsorship Transaction and the amount of dividends we pay, if any, may be limited by our performance and growth. The decision to pay any dividend, and the amount of any such dividend paid is subject to the discretion of our Board who may choose to limit the amount of any dividends paid following the successful consummation of the Sponsorship Transaction.

The Sponsorship Transaction would trigger "change in control" provisions under certain of the Company's material contracts.

The consummation of the Sponsorship Transaction would trigger a change in control under the terms of our Revolver. Such change in control constitutes an event of default under the Revolver and would entitle our Revolver lenders to accelerate the principle amount outstanding under the Revolver. The Company intends to pay down and terminate the Revolver concurrently with completing the Sponsorship Transaction through a refinancing transaction. However, there can be no assurance that the Company will be able to enter into a replacement credit facility or otherwise secure financing on equal or more favorable terms. Such inability could have a materially adverse effect on our liquidity and our growth strategy. There is no financing contingency or condition to the consummation of the transactions contemplated by the Merger Agreement.

The consummation of the Sponsorship Transaction would also trigger a change in control under our Indentures. The Indentures require the Company to make an offer to repurchase the Senior Notes issued under the Indentures at 101% of the applicable principal amount, plus accrued and unpaid interest and additional interest, if any, to the repurchase date following a change in control. Brookfield and its affiliates have secured a backstop financing facility that is available to be drawn by the Company subject to certain conditions in the event the Company makes this offer and noteholders elect to accept the offer. If a significant number of noteholders tender into the offer to repurchase at 101% of par, the Company would need to draw upon this backstop financing facility which would have a shorter maturity and more restrictive covenants than the Senior Notes issued under the Indentures, which could have a material adverse effect on the Company's financial position, performance and operations.

Pursuant to the terms of our 2014 Second Amended and Restated Long-Term Incentive Plan and individual employee grant agreements, all of our outstanding restricted stock units ("RSUs") will vest upon a change in control as defined in the plan. This immediate vesting could result in the turnover of key personnel following the consummation of the Sponsorship Transaction and could have a material adverse effect on the Company.

One of our PPAs and a limited number of our non-recourse debt and tax equity financing arrangements also include change in control provisions that would permit the counterparty to terminate the contract or accelerate maturity following the consummation of the Sponsorship Transaction. We are working to obtain consents or waivers from those counterparties to the applicable change of control provisions, however, there is no assurance those consents will be obtained.

There is no assurance we will be able to successfully negotiate a waiver to any such change in control provision.

Risks Related to a Failure to Consummate our Proposed Sponsorship Transaction with Brookfield and its affiliates. The following risk factors assume that we remain a stand-alone company except as otherwise noted:

Failure to consummate, or delays in consummating, the Merger and the Sponsorship Transaction with Brookfield and its affiliates could materially and adversely affect our business, results of operations and prospects and the price of the shares of our Class A common stock.

We believe that the current trading price of our Class A common stock reflects some amount of speculation regarding the probability of the closing of the Merger and the Sponsorship Transaction. The loss of the benefits or perceived benefits of the Sponsorship Transaction, including the loss of Brookfield as a sponsor and the right to receive the merger consideration payable to the holders of our Class A common stock at the consummation of the Merger and the Sponsorship Transaction could negatively impact the price of our Class A common stock. Likewise, potential returns on any investment in our common stock may also be limited until the closing or abandonment of the Merger and the Sponsorship Transaction.

If we are unable to successfully consummate the Merger and the Sponsorship Transaction, the Company would be forced to reevaluate its available strategic alternatives. Such reevaluation would likely result in a diversion of the Company's resources to focus on that reevaluation, including legal fees, financial advisor fees and management's time and attention.

Moreover, a failure to consummate the Sponsorship Transaction will result in the Company operating without a financially viable sponsor for, at a minimum, the length of time required to reevaluate our strategic alternatives. Our ability to successfully operate the Company without a financially viable sponsor is uncertain. Our business, including our growth strategy, has been substantially dependent on our sponsor, including our sponsor's ability to obtain financing and generate sufficient cash to adequately fund its operations and on our sponsor's ability to fund the construction and development of projects to be dropped down to the Company pursuant to certain contractual arrangements. The Company would likely face difficulties acquiring new projects during the pendency of a reevaluation of strategic alternatives or period of stand-alone operations and the Company's management, and our Board may choose to prioritize stabilization of the Company's operations and determination of strategic alternatives over pursuing growth opportunities. If we are unable to consummate the Merger and the Sponsorship Transaction, current and prospective employees may experience uncertainty about their future with the

Company. This uncertainty may impair our ability to retain, recruit or motivate key personnel, may negatively impact the productivity of current employees and may result in an increase in retention costs.

Depending on the circumstances surrounding a potential failure to consummate the Merger and the Sponsorship Transaction we may face increased exposure to litigation and attendant costs and we may be required to pay a termination fee of $50.0 million to Brookfield. Additionally, in certain circumstances if the Merger is not consummated, we may be required to reimburse Brookfield for up to $17.0 million of Brookfield's reasonable and documented expenses in connection with the Merger Agreement and the transactions contemplated thereby.

If we fail to consummate the Merger and the Sponsorship Transaction with Brookfield and its affiliates, the Settlement Agreement entered into with SunEdison and certain of its affiliates in the Chapter 11 Bankruptcy Case of SunEdison may be terminated.

Concurrently with the execution and delivery of the Merger Agreement, SunEdison and the Company, along with certain of their respective subsidiaries, executed and delivered a Settlement Agreement, which, among other things, generally resolves claims, disputes and other issues arising from the historical sponsor relationship between the Company and SunEdison. If the Merger Agreement is terminated, the Settlement Agreement may also be terminated by either party thereto. The Settlement Agreement provides for the resolution of the intercompany claims and defenses between the Company and SunEdison in connection with the SunEdison Bankruptcy in exchange for, among other things, a set allocation of the proceeds of the Merger being provided to SunEdison. In the event the Settlement Agreement is terminated, there is no guarantee that the Company will be able to enter into a comparable transaction or that the Company would be able to negotiate settlement terms with equal or more favorable terms than those contained in the Settlement Agreement.

Moreover, we believe that the resolution of the intercompany claims and defenses is a necessary prerequisite to the execution of any strategic alternative with a third party. The termination of the Settlement Agreement could negatively impact the Company's ability to engage in a change of control transaction with an alternative third party due to the uncertainty regarding the resolution of the intercompany claims and defenses in connection with the SunEdison Bankruptcy.

In the event that the Settlement Agreement is terminated, the Company would be forced to continue to litigate its claims and defenses in the SunEdison Bankruptcy case or renegotiate the terms of an alternative settlement agreement with SunEdison. Either option is likely to result in a drain on the Company's resources, including significant litigation costs and management's time and attention. Among the claims currently resolved by the Settlement Agreement which the Company would be forced to defend are certain avoidance actions seeking to recapture payments or transfers of value made by SunEdison to the Company prior to SunEdison's bankruptcy filing. SunEdison's unsecured creditors committee asserted in their original objection to the Settlement Agreement that in connection with the Company's IPO, "the Company received completed energy projects, services and payments worth hundreds of millions, if not billions, of dollars, for which the Debtors did not receive reasonably equivalent value in exchange." The Company disagrees with the unsecured creditor committee's assertions regarding potential avoidance claims. The Company would not consider settling these potential avoidance claims alone and has not recorded a loss related to such claims. However, in the event of an unfavorable determination with respect to such claims, the Company could be forced to pay significant amounts to the SunEdison estate. If the Settlement Agreement is terminated, we will continue to be subject to certain risks associated with SunEdison as described more fully under "*Risks Related to our Relationship with SunEdison and the SunEdison Bankruptcy*" below.

If we fail to consummate the Merger, there is no guarantee that SunEdison will be able to successfully exit its Chapter 11 Bankruptcy case or that SunEdison's interests in the Company, including its shares of our Class B common stock and Class B units in Terra LLC, will be disposed of in a way that is favorable to the holders of the Company's Class A common stock.

SunEdison's proposed Plan of Reorganization in the SunEdison Bankruptcy case is predicated on the successful consummation of the Merger. If we fail to consummate the Merger, the Plan of Reorganization will not be successful and there is no guarantee that SunEdison will be able to successfully exit its Chapter 11 Bankruptcy case. In such an event, SunEdison's current Chapter 11 reorganization may be converted into a Chapter 7 liquidation. We continue to utilize SunEdison for certain business and operational services and, as such, a liquidation of SunEdison may have a material adverse effect on our business, results of operations and financial condition. In addition, if the Settlement Agreement is terminated and the Plan of Reorganization is not successfully implemented, SunEdison may seek Bankruptcy Court approval to transfer its shares of our Class B common stock and Class B units in Terra LLC without converting them into shares of our Class A common stock and without seeking our approval. Such a disposition may be less favorable to our holders of Class A common stock than the Merger and the Sponsorship Transaction.

Risks Related to our Relationship with SunEdison and the SunEdison Bankruptcy

We are transitioning away from our historical dependence on SunEdison for important corporate, project and other services, which involves management challenges and poses risks that may materially adversely affect our business, results of operations and financial condition.

Since the SunEdison Bankruptcy, we have been engaged in efforts to transition away from our historical dependence on SunEdison for corporate, project and other services, including providing for critical systems and information technology infrastructure, by seeking to identify alternative service providers and to establish and manage new relationships, as well as develop our own capabilities and resources in these areas. These efforts include creating a separate stand-alone corporate organization, including, among other things, directly hiring employees and establishing our own accounting, information technology, human resources and other systems and infrastructure, and also include transitioning the project-level O&M and asset management services in-house or to third party service providers. However, our efforts in this regard, although designed to mitigate risks posed by the SunEdison Bankruptcy, involve a number of new risks and challenges that may materially adversely affect our business, results of operations and financial condition.

We may be unable to replicate the corporate and project-level services provided by SunEdison, either through outsourcing or performing those services ourselves on terms or at costs similar to those provided by SunEdison or at all. The fees of substitute service providers or the costs of performing all or a portion of the services ourselves are likely to be substantially more than the fees that we would pay under the MSA, which are equal to 2.5% of the Company's cash available for distribution to shareholders in 2016 and 2017 (not to exceed \$7.0 million in 2016 or \$9.0 million in 2017). In addition, in light of SunEdison's familiarity with our assets, a substitute service provider may not be able to provide the same level of service. We also continue to depend on a substantial number of outside contractors for accounting services and the costs for these services are substantially greater than those we would incur if we directly hired employees to perform the same services.

We may also be unable to perform the services ourselves, through hiring employees and migrating or establishing separate information technology systems. Implementing any changes in connection with such transition may take longer than we expect, cost more than we expect, and divert management's attention from other aspects of our business. We may also incur substantial legal and compliance costs in many of the jurisdictions where we operate. In addition, as we have limited experience in developing our own capabilities and resources, there is no assurance that we would ultimately be successful in our efforts in each of these areas, if at all, which could result in delays or disruptions in our business and operations.

The SunEdison Bankruptcy could result in a material adverse effect on many of our projects because SunEdison is a party to a material project agreement or a guarantor thereof, or because SunEdison was the original owner of the project.

In most of our debt-financed projects, a SunEdison Debtor is a party to one or more material project agreements, including asset management or O&M agreements in its capacity as our O&M provider or asset manager, or is a guarantor of the obligations of those service providers or has provided other guarantees for the benefit of the projects and/or our financing parties. Many of our project-debt financing agreements contain covenants or defaults relating to such agreements or guarantees. As a result, the SunEdison Bankruptcy has resulted in defaults under many of our project-debt financing agreements, which are generally curable. During the course of 2016 and to date in 2017, we have obtained waivers or temporary forbearances with respect to most of these defaults and have transitioned, or are working to transition, the project-level services provided by SunEdison Debtors to third parties or in-house to a Company affiliate; however, certain of these defaults persist and no assurance can be given that any remaining waivers and/or forbearance agreements will be obtained. Similarly, in most of our tax equity-financed projects, a SunEdison Debtor is a party to one or more material project agreements, including asset management or O&M contract agreements, or provides guarantees of those project agreements or has provided other guarantees for the benefit of the projects and/or our financing parties. Many of our tax equity financed project agreements contain provisions related to, or that could be impacted by, such agreements. As a result, the SunEdison Bankruptcy could result in adverse consequences to us under many of our tax equity-financed projects. Several of our tax-equity projects are structured as master lease arrangements, under which the SunEdison Bankruptcy may trigger termination rights of the applicable tax investors.

Such defaults in our debt-financed projects and adverse consequences to us in tax equity-financed projects, if not cured or waived, may restrict the ability of the project-level subsidiaries to make distributions to us. These defaults may also entitle the related lenders to demand repayment, or enforce their security interests, which could have a material adverse effect on our business, results of operations and financial condition. These defaults may also permit the financing parties in our master lease arrangements to terminate the applicable leases, seek damages for contractual breaches or sweep or net project cash flows to the extent of any damages they may have incurred. If we are unable to make distributions from our project-level subsidiaries, it would likely have a material adverse effect on our ability to meet corporate-level debt service obligations, as well as pay dividends to holders of our Class A common stock.

To date, we have not identified any significant PPAs that include a provision that would directly permit the offtake counterparty to terminate the agreement due to the event of the SunEdison Bankruptcy. However, to date we have identified one PPA that contains an event of default that can be triggered if the related project-level credit agreement is accelerated. This project-level credit agreement is currently in default because of our failure to deliver project-level audited financial statements for 2016 but is still within the contractual grace period for failure to deliver which extends to the end of July 2017. This project is expected to provide approximately $8.0 million of project-level cash available for distribution for 2017. We are working to obtain waivers or forbearance agreements from the project-level lenders with respect to this project that would avoid triggering this default under the PPA. Given the importance of maintaining PPAs, we believe our lenders for this project will likely be incentivized to take steps to avoid defaults under the PPA if we fail to cure the default, but we cannot assure that result.

Historically, SunEdison has provided asset management services and O&M services under project-level asset management and O&M agreements. We are in the process of transitioning away from SunEdison as our asset manager and O&M provider. We manage certain of our projects ourselves and, in some instances, we outsource our asset management and/or O&M functions. We may not be able to adequately perform on the projects that we manage in house or secure third-party service providers which may lead to defaults under the terms of project-level debt contracts, hedging agreements, and tax equity agreements, as well as adverse consequences for our unlevered projects. An inability to successfully manage these projects or secure third-party service providers, and the resulting defaults and other consequences, or managing them at an excessively burdensome cost, could have a material adverse effect on our business, results of operations and financial condition.

SunEdison was the construction contractor or module supplier for many of our projects, and it is unlikely that we will be able to recover on any claims under those contracts or related warranties.

SunEdison served as the prime construction contractor pursuant to engineering, procurement and construction contracts with our subsidiaries for most of our renewable energy facilities acquired from SunEdison. These contracts are generally fixed price, turn-key construction contracts that include workmanship and other warranties with respect to the design and construction of the facilities that survive for a period of time after the completion of construction. These contracts or related contracts (including O&M agreements) also often include production or availability guarantees with respect to the output or availability of the facility that survive completion of construction. Moreover, we also generally obtained solar module warranties from SunEdison, including module workmanship warranties and output guarantees, for those solar facilities that we acquired from SunEdison that utilized SunEdison modules. Because of these relationships, we have existing warranty or contract claims and will likely in the future have such claims. The Settlement Agreement would eliminate our recoveries on claims under these agreements and warranties.

SunEdison is a party to important agreements at the corporate and project levels, which may be adversely affected by the SunEdison Bankruptcy and terminated pursuant to the Settlement Agreement.

As detailed in other risk factors under “Risks Related to our Relationship with SunEdison and the SunEdison Bankruptcy,” we had a number of important agreements with SunEdison at the corporate and project levels and for acquisitions, including the sponsorship arrangement. For instance, SunEdison has cash payment obligations to us under the Amended Interest Payment Agreement, which were expected to be an additional $8.0 million in 2016 ($8.0 million was paid in the first quarter of 2016) and $16.0 million in 2017 and in conjunction with the First Wind acquisition had committed to reimburse the Company for capital expenditures and operations and maintenance and labor fees in excess of budgeted amount (not to exceed $53.9 million through 2019) for certain of its wind power plants. The Settlement Agreement would provide for the termination of these agreements. Although we did not expect SunEdison to perform under these agreements going forward, the Settlement Agreement will result in the settlement of our intercompany claims against SunEdison in connection with such agreements.

Our audited financial statements for the year ended December 31, 2016 include a going concern explanatory note because of the risk that our assets and liabilities could be consolidated with those of SunEdison in the SunEdison Bankruptcy, in addition to risks related to project-level defaults.

We believe that we have observed formalities and operating procedures to maintain our separate existence from SunEdison, that our assets and liabilities can be readily identified as distinct from those of SunEdison and that we do not rely substantially on SunEdison for funding or liquidity and will have sufficient liquidity to support our ongoing operations. Our initiatives with respect to the SunEdison Bankruptcy have included and will include, among other things, establishing stand-alone information technology, accounting and other systems and infrastructure, establishing separate human resources systems and employee retention efforts, seeking proposals for backup O&M and asset management services for our power plants from other providers and the pursuit of strategic alternatives.

However, there is a risk that an interested party in the SunEdison Bankruptcy could request that the assets and liabilities of the Company be substantively consolidated with SunEdison and that the Company and/or its assets and liabilities be included in the SunEdison Bankruptcy. Substantive consolidation is an equitable remedy in bankruptcy that results in the pooling of assets and liabilities of the debtor and one or more of its affiliates solely for purposes of the bankruptcy case, including for purposes of distributions to creditors and voting on and treatment under a reorganization plan. While it has not been requested to date and we believe there is no basis for substantive consolidation in our circumstances, we cannot provide assurance that substantive consolidation will not be requested in the future or that the bankruptcy court would not consider it.

To the extent the bankruptcy court were to determine that substantive consolidation was appropriate under the facts and circumstances, then the assets and liabilities of any entity that was subject to the substantive consolidation order could be available to help satisfy the debt or contractual obligations of other entities. Bankruptcy courts have broad equitable powers, and as a result, outcomes in bankruptcy proceedings are inherently difficult to predict. Due to the significant liabilities of SunEdison, substantive consolidation of the Company with SunEdison and inclusion in the SunEdison Bankruptcy would impede our ability to satisfy our liabilities in the normal course of business and otherwise restrict our operations and capacity to function as a standalone enterprise. As a result of the foregoing and the risks related to project-level defaults (as discussed in separate risks within this section), our financial statements for the year ended December 31, 2016 and the related audit report include an explanatory note regarding the Company’s ability to continue as a going concern.

We have expended and may continue to expend significant resources in connection with the SunEdison Bankruptcy.

We have expended significant resources on contingency planning and other matters resulting from the SunEdison Bankruptcy. Our additional expenses include legal fees, consultant and financial advisor fees and related expenses, and it is likely that such expenses will continue during the duration of the SunEdison Bankruptcy even following our entry into the Settlement Agreement. We have also dedicated, and anticipate that we will continue to dedicate, significant internal resources and management time to contingency planning and to addressing the consequences of the SunEdison Bankruptcy. This could reduce the internal time and resources available for other areas of our business and substantially increase our operating expenses.

The SunEdison Bankruptcy has subjected us to increased litigation risk, including claims seeking to avoid payments SunEdison made to us or transactions that we consummated with SunEdison in the period prior to the SunEdison Bankruptcy.

The SunEdison Bankruptcy has increased the risk that we will be subject to litigation and could increase our potential exposure to litigation costs and could divert substantial time and resources of our management. While SunEdison and the Company have entered into a Settlement Agreement providing for the settlement of intercompany claims and defenses in connection with the SunEdison Bankruptcy, and the Settlement Agreement has been approved by the Bankruptcy Court, there is no guarantee that the Settlement Agreement will become effective. There is also no assurance that the Plan of Reorganization will be approved by the requisite members of the bankruptcy estate of SunEdison or by the Bankruptcy Court. In the event that the Settlement Agreement does not become effective, there is a risk that SunEdison or creditors acting on its behalf may bring actions against us to avoid payments made to us by SunEdison or transactions that we consummated with SunEdison. On November 7, 2016, the official committee of unsecured creditors of SunEdison filed a motion requesting standing and leave to file a complaint against us (with settlement authority) with respect to such avoidance actions. In the future, SunEdison itself may pursue similar avoidance actions against us. We also face increased risks of liability and litigation to the extent that the SunEdison Bankruptcy results in SunEdison becoming unable to fulfill its contractual commitments in circumstances where the Company has a financial interest.

Additionally, because our directors’ and officers’ insurance policies through the period of July 15, 2016, including a number of policies under which SunEdison is the named insured, were shared with SunEdison and TerraForm Global, the SunEdison Bankruptcy will limit our ability to utilize such insurance to cover the liability of, and our indemnification obligations to, our directors and officers. If we are required to make indemnification payments to our officers or directors, our business, financial condition and results of operations may be negatively impacted. Subsequent to July 15, 2016, our directors' and officers' insurance policies are independent of SunEdison and TerraForm Global.

The SunEdison Bankruptcy may adversely affect our relationships with current or potential counterparties.

We have important counterparties at every level of operations, including offtakers under the PPAs, corporate and project-level lenders, suppliers and service providers. The SunEdison Bankruptcy may damage our relationships with our counterparties due to concerns about the SunEdison Bankruptcy and its impact on our business. These concerns may cause counterparties to be less willing to grant waivers or forbearances if needed for other matters and more likely to enforce contractual provisions or reduce utilization of our services (or the provision of supplies or services) where the counterparty has flexibility in volume or duration. These concerns may also cause our existing or potential new counterparties to be less likely to enter into new agreements or to demand more expensive or onerous terms, credit support, security or other conditions. Damage to our existing or potential future counterparty relationships may materially and adversely affect our business, financial condition and results of operations, including our growth strategy.

SunEdison is our controlling stockholder and exercises substantial influence over TerraForm Power; it may take actions that conflict with the interests of our other stockholders.

SunEdison beneficially owns all of our outstanding Class B common stock. Each share of our outstanding Class B common stock entitles SunEdison to 10 votes on all matters presented to our stockholders. As a result of its ownership of our Class B common stock, SunEdison possesses approximately 83.9% of the combined voting power of our stockholders even though SunEdison only owns approximately 34.2% of total shares outstanding (inclusive of Class A common stock and Class B common stock) as of June 30, 2017. As a result of this ownership, SunEdison has a substantial influence on our affairs and its voting power will constitute a large percentage of any quorum of our stockholders voting on any matter requiring the approval of our stockholders. SunEdison has entered into a Voting and Support Agreement pursuant to which SunEdison has agreed to vote its shares of Class B common stock in favor of the Merger and the Sponsorship Transaction. However, outside of the matters covered by the Voting and Support Agreement, SunEdison has no such contractual obligation. Such matters include the election of directors, the adoption of amendments to our amended and restated certificate of incorporation and bylaws other than those contemplated by the Merger Agreement and approval of mergers or sale of all or substantially all of our assets other than the Sponsorship Transaction. In the event the Merger and the Sponsorship Transaction are not consummated, this concentration of ownership may also have the effect of delaying or preventing an alternative change in control of our company or discouraging others from making tender offers for our shares, which could depress the price per share a bidder might otherwise be willing to pay. In addition, SunEdison, for so long as it and its controlled affiliates possess a majority of the combined voting power, has the power, directly or indirectly, to appoint or remove all of our directors, including the members of our Conflicts Committee and all of our executive officers. SunEdison also has a right to specifically designate up to two directors to our Board until such time as SunEdison and its controlled affiliates cease to own shares representing a majority voting power in us. On November 20, 2015, SunEdison designated two directors to our Board. SunEdison has the right to remove and replace these directors at any time and for any reason. SunEdison may take actions that conflict with the interests of our other stockholders (including holders of our Class A common stock).

In connection with the SunEdison Bankruptcy, SunEdison has received final approval from the bankruptcy court for its DIP financing and related credit agreement. We expect SunEdison's DIP lenders will have significant influence over SunEdison’s interactions with us during the SunEdison Bankruptcy due to the covenants in the DIP credit agreement, although we expect SunEdison to act as a fiduciary for all of its stakeholders, including unsecured creditors. The DIP credit agreement also gives substantial authority, on behalf of management of SunEdison, over the restructuring and the relationship between SunEdison and us to the chief restructuring officer of SunEdison, who has been appointed the chief executive officer of SunEdison. In connection with the SunEdison Bankruptcy, SunEdison will also be required to seek approval of the bankruptcy court prior to engaging in activities or transactions outside of the ordinary course of business, which activities or transactions could be challenged by parties in interest, including SunEdison's unsecured creditors. The covenants in the DIP credit agreement, the interests of other SunEdison stakeholders, or developments in the bankruptcy may lead SunEdison to take actions that conflict with the interests of our Class A common stock.

Our organizational and ownership structure may create significant conflicts of interest that may be resolved in a manner that is not in our best interests or the best interests of holders of our Class A common stock and that may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our organizational and ownership structure involves a number of relationships that may give rise to certain conflicts of interest between us and holders of our Class A common stock, on the one hand, and SunEdison, on the other hand. Historically, the personnel that manage our operations (other than our Chairman and Interim Chief Executive Officer, Peter Blackmore, our Chief Operating Officer, Tom Studebaker, and our Interim Chief Accounting Officer, David Rawden) were employees of SunEdison and their services were provided to the Company under the MSA or project-level asset management and O&M services agreements. SunEdison is a related party under the applicable securities laws governing related party transactions and may have interests which differ from our interests or those of holders of our Class A common stock, including with respect to the types of acquisitions made, the timing and amount of dividends by TerraForm Power, the reinvestment of returns generated by our operations, the use of leverage when making acquisitions and the appointment of outside advisers and service providers. We have a Conflicts Committee to assist us in addressing conflicts of interest as they arise. SunEdison, for so long as it and its controlled affiliates possess a majority of our combined voting power, has the power, directly or indirectly, to appoint or remove all of our directors and committee members, including the members of our Conflicts Committee, and our executive officers. These powers have affected and may in the future affect the functioning of our Conflicts Committee. On November 20, 2015, the members of our Conflicts Committee were removed by the Board from that committee and two of the three members subsequently resigned from our Board. In their resignation letters, these two independent directors stated that they did not believe they would be able to protect the interests of the shareholders going forward and therefore resigned. In addition, contemporaneously, our Chief Executive Officer was removed as an officer and director and our Chief Financial Officer was removed as an officer. Our next Chief Executive Officer, who resigned on March 30, 2016, served as both the Chief Financial Officer of SunEdison and as the Chief Executive Officer of TerraForm Global, which may have created conflicts of interest during this period. These management changes resulted in considerable negative publicity. While certain of our officers and most of our non-officer employees provide services exclusively to the Company, our Interim Chief Executive Officer, Peter Blackmore, our Executive Vice President and Chief Financial Officer, Rebecca Cranna, our Chief Operating Officer, Tom Studebaker, and our Interim Chief Accounting Officer, David Rawden, continue to serve in the same functions for TerraForm Global for the time being.

Any material transaction between us and SunEdison are subject to our related party transaction policy, which will require prior approval of such transaction by our Conflicts Committee. There are inherent limitations in the ability of our Conflicts Committee to help us manage conflicts of interest or perceived conflicts of interest and the various measures we have taken to address conflicts of interest, including our Conflicts Committee and our related party transaction approval policy, have, in the past, not prevented shareholders from instituting shareholder derivative claims related to conflicts of interest. Regardless of the merits of these claims, we may be required to expend significant management time and financial resources if such claims were brought. Additionally, to the extent we fail to appropriately deal with conflicts of interest, or are perceived to have failed to deal appropriately with any such conflicts, it could negatively impact our reputation and ability to raise additional funds and the willingness of counterparties to do business with us, all of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our organizational and ownership structure is complex and has been, and may continue to be, subject to increased scrutiny and negative publicity, particularly relating to changes in our senior management and our Board, which may have a material adverse effect on, among other things, the value of our securities and our ability to conduct our business, as well as subject us to increased litigation risk.

Our organizational and ownership structure is complex and has recently been subject to increased scrutiny, including inquiries from our stakeholders, litigation from activist shareholders and negative publicity. In particular, there has been considerable negative publicity in the media relating to the resignations and removals of certain members of our Board, including members of our Conflicts Committee, as well as the replacement of our Chief Executive Officer and Chief Financial Officer in November of 2015. Negative publicity has also included allegations of breaches of fiduciary duty by our Board and our executive officers, perceived conflicts of interest among us, our executive officers and our affiliates and criticism of our and our affiliates' business strategies. Our reputation may be closely related to that of SunEdison, and the reputation and public image of SunEdison has suffered as a result of its financial condition and the SunEdison Bankruptcy. Such negative publicity may materially adversely impact our business in a number of ways, including, among other things:

- causing the trading value of our outstanding securities to diminish;
- damaging our reputation and adversely affecting the willingness of counterparties to do business with us, including obtaining consents and approvals from counterparties;
- subjecting us and our affiliates to increased risks of future litigation or affecting the course of our current litigation;
- disrupting our ability to execute our and our affiliates' business plans, including in respect of potential transactions with our affiliates, and potentially reducing our cash available for distribution; and
- limiting our ability to raise capital and refinance existing obligations.

SunEdison has pledged the shares of Class B common stock, Class B units and IDRs that it owns to its lenders under its credit facilities. If the lenders foreclose on these shares, the market price of our shares of Class A common stock could be materially adversely affected.

SunEdison has pledged all of the shares of Class B common stock, and a corresponding amount of the Class B units of Terra LLC, as well as our IDRs, that SunEdison owns to SunEdison's lenders as security under its DIP financing and its first and second lien credit facilities and outstanding second lien secured notes. Foreclosure by the lenders under the first and second lien credit facilities and outstanding second lien secured notes likely will be stayed during the pendency of the SunEdison Bankruptcy. However, if SunEdison breaches certain covenants and obligations in its DIP financing, an event of default or maturity of the DIP financing could result and the lenders could exercise their right to accelerate all the debt under the DIP financing and foreclose on the pledged shares, units and IDRs. Foreclosures or transfers are subject to certain limitations in our governing documents, including that SunEdison (together with its controlled affiliates) must continue to own a number of Class B units equal to 25% of the units held by SunEdison upon completion of our IPO until the earlier of (i) three years from the completion of the IPO and (ii) the date that Terra LLC has made cash distributions in excess of the Third Target Distribution (as defined in Terra LLC's amended and restated operation agreement) for four quarters ("Class B Share Lock Up"). However, such limitations may not be enforceable against foreclosures or transfers occurring in connection with the SunEdison Bankruptcy, including foreclosures by the lenders under SunEdison's DIP financing.

Any future sale of the shares of Class A common stock received that have been converted from Class B common stock upon foreclosure of the pledged securities or upon the sale or other disposition of SunEdison's Class B common stock could cause the market price of our Class A common stock to decline. SunEdison, through wholly owned subsidiaries, owns 48,202,310 Class B units of Terra LLC, which are exchangeable (together with shares of our Class B common stock) for shares of our Class A common stock, subject to certain conditions. Moreover, subject to the Class B Share Lock Up and certain other restrictions, we may have limited ability to consent to or otherwise influence or control the ultimate purchaser or purchasers of the Class A common stock sold by SunEdison. A foreclosure on or sale of the shares of our Class B common stock and of Class B units of Terra LLC's units held by SunEdison may result in a change of control. Any such change of control could have a material adverse effect on our business, financial condition, results of operation and cash flows.

The holder or holders of our IDRs may elect to cause Terra LLC to issue Class B1 units to it or them in connection with a resetting of target distribution levels related to the IDRs, without the approval of our Conflicts Committee or the holders of Terra LLC's units, us as manager of Terra LLC, or our Board (or any committee thereof). This could result in lower distributions to holders of our Class A common stock.

Currently the holder or holders of a majority of the IDRs (currently SunEdison through one or more wholly owned subsidiaries)) have the right, if the Subordination Period has expired and if we have made cash distributions in excess of the then-applicable Third Target Distribution for each of the prior four consecutive fiscal quarters, to reset the initial target distribution levels at higher levels based on Terra LLC's cash distribution levels at the time of the exercise of the reset election. The right to reset the target distribution levels may be exercised without the approval of the holders of Terra LLC's units, us, as manager of Terra LLC, or our Board (or any committee thereof). Following a reset election, a baseline distribution amount will be calculated as an amount equal to the average cash distribution per Class A unit, Class B1 unit and Class B unit for the two consecutive fiscal quarters immediately preceding the reset election (such amount is referred to as the "Reset Minimum Quarterly Distribution"), and the target distribution levels will be reset to correspondingly higher levels based on percentage increases above the Reset Minimum Quarterly Distribution. Pursuant to the Merger Agreement and the transactions contemplated thereby, SunEdison has agreed to transfer the IDRs to an affiliate of Brookfield in connection with the closing of the Sponsorship Transaction, and resetting the IDR target distribution levels through the issuance of additional securities is not expected to be a feature of the IDRs held by affiliates of Brookfield.

The IDRs may be transferred to an unaffiliated third party without the consent of holders of Terra LLC's units, us, as manager of Terra LLC, or the consent of our Board (or any committee thereof).

Other than the approved transfer to affiliates of Brookfield in connection with the Merger and the Sponsorship Transaction, SunEdison may not sell, transfer, exchange, pledge (other than as collateral under its credit facilities) or otherwise dispose of the IDRs to any unaffiliated third party (other than its controlled affiliates) until after it has satisfied its $175.0 million aggregate Projected FTM CAFD commitment to us in accordance with the Support Agreement, and during the pendency of the SunEdison Bankruptcy, subject to the approval of the Bankruptcy Court. SunEdison has pledged the IDRs as collateral under its DIP facility and its existing first and second lien credit agreements, and second lien secured notes but our constituent documents prohibit transfer of the IDRs upon foreclosure until after SunEdison has satisfied its Projected FTM CAFD commitment to us. These prohibitions may not be enforceable against foreclosures occurring in connection with the SunEdison Bankruptcy, including foreclosures by the lenders under SunEdison's DIP financing. After that period, SunEdison may transfer the IDRs to an unaffiliated third party at any time without the consent of the holders of Terra LLC's units, us, as manager of Terra LLC, or our Board (or any committee thereof). However, Terra LLC has been granted in the Terra LLC limited liability company agreement a right of first refusal with respect to any proposed sale of IDRs to an unaffiliated third party (other than its controlled affiliates), under which we may exercise to purchase the IDRs proposed to be sold on the same terms offered to such third party at any time within 30 days after we receive written notice of the proposed sale and its terms. This right of first refusal may not be enforceable with respect to sales occurring in connection with the SunEdison Bankruptcy.

If SunEdison transfers the IDRs to an unaffiliated third party, including as part of the SunEdison Bankruptcy process, SunEdison would not have the same incentive to grow our business and increase quarterly distributions to holders of Class A common stock over time.

If we incur material tax liabilities, distributions to holders of our Class A common stock may be reduced without any corresponding reduction in the amount of distributions paid to SunEdison or other holders of the IDRs, Class B units and Class B1 units.

We are entirely dependent upon distributions we receive from Terra LLC in respect of the Class A units held by us for payment of our expenses and other liabilities. We must make provisions for the payment of our income tax liabilities, if any, before we can use the cash distributions we receive from Terra LLC to make distributions to our Class A common stockholders. If we incur material tax liabilities, our distributions to holders of our Class A common stock may be reduced. However, the cash available to make distributions to the holders of the Class B units and IDRs issued by Terra LLC (all of which are currently held by SunEdison), or to the holders of any Class B1 units that may be issued by Terra LLC in connection with an IDR reset or otherwise, will not be reduced by the amount of our tax liabilities. As a result, if we incur material tax liabilities, distributions to holders of our Class A common stock may be reduced, without any corresponding reduction in the amount of distributions paid to SunEdison or other holders of the IDRs, Class B units and Class B1 units of Terra LLC.

In connection with the Sponsorship Transaction, the Limited Liability Company Agreement of Terra LLC will be amended and restated to provide for, among other things, a first priority of distributions from Terra LLC to cover the Company's outlays and expenses properly incurred.

Outside of the Sponsorship Transaction, our ability to terminate the MSA early may be limited.

In connection with the Sponsorship Transaction, the Company, SunEdison and certain of their respective affiliates entered into a Settlement Agreement providing for, among other things, the termination of the MSA. In that event that the Sponsorship Transaction is not consummated or the Settlement Agreement does not become effective for any reason, our ability to terminate the MSA early may be limited.

The agreement continues in perpetuity until terminated in accordance with its terms. SunEdison has breached its obligations under the MSA, in particular with respect to financial reporting and internal control matters. However, the termination provisions upon a bankruptcy or insolvency of SunEdison are likely not enforceable, and during the pendency of the SunEdison Bankruptcy, the automatic stay may prevent us from terminating the agreement in accordance with its terms without authorization from the Bankruptcy Court. The MSA also includes non-compete provisions that prohibit us from engaging in certain activities competitive with SunEdison's power project development and construction business. The agreement provides that these non-compete provisions survive termination indefinitely. If SunEdison's performance does not meet the expectations of investors, the market price of our Class A common stock could suffer.

As described under the risk factor "*SunEdison is a party to important agreements at the corporate and project levels, which may be adversely affected by the SunEdison Bankruptcy*," as part of the SunEdison Bankruptcy, SunEdison could also seek to reject or renegotiate the Management Services Agreement and any new terms or replacement agreement could be materially less favorable.

The liability of SunEdison is limited under our arrangements with it and we have agreed to indemnify SunEdison against claims that it may face in connection with such arrangements, which may lead it to assume greater risks when making decisions relating to us than it otherwise would if acting solely for its own account.

In the event the Merger and the Sponsorship Transaction are not consummated or if the Settlement Agreement is terminated for any reason, we will continue to be subject to certain risks related to the MSA. Under the MSA, SunEdison will not assume any responsibility other than to provide or arrange for the provision of the services described in the MSA in good faith. In addition, under the MSA, the liability of SunEdison and its affiliates will be limited to the fullest extent permitted by law to conduct involving bad faith, fraud, willful misconduct or gross negligence or, in the case of a criminal matter, action that was known to have been unlawful. In addition, we have agreed to indemnify SunEdison to the fullest extent permitted by law from and against any claims, liabilities, losses, damages, costs or expenses incurred by an indemnified person or threatened in connection with our operations, investments and activities or in respect of or arising from the MSA or the services provided by SunEdison, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the conduct in respect of which such persons have liability as described above. These protections may result in SunEdison tolerating greater risks when making decisions than otherwise would be the case. The indemnification arrangements in favor of

SunEdison may also give rise to legal claims by SunEdison for indemnification from us that are adverse to us or holders of our Class A common stock.

We may have conflicts of interest with TerraForm Global.

Actual, perceived and potential conflicts of interest may arise between us and TerraForm Global in a number of areas arising from, among other sources, current and potential shared systems, assets and services and common business opportunities, and may receive increased scrutiny as a result of overlaps among members of our management teams and boards of directors as well as the controlling interests in both companies of SunEdison.

Until recently we and TerraForm Global generally had common boards of directors, and historically we and TerraForm Global shared common management with limited exceptions, principally as a result of the control of both companies by SunEdison. Four of the nine members of our Board currently serve on the ten-person Board of Directors of TerraForm Global. In addition, some of our executive officers serve as executive officers of TerraForm Global, including Peter Blackmore, our and TerraForm Global's Chairman and Interim Chief Executive Officer, and Rebecca Cranna, our and TerraForm Global's Chief Financial Officer. Our directors and executive officers that overlap with those of TerraForm Global owe fiduciary duties to both companies.

Although conflicts between TerraForm Global and us were not expected to be significant when the companies were formed, as a result of various developments, including the SunEdison Bankruptcy and the Merger and the Sponsorship Transaction, we have been presented with certain business decisions, including decisions regarding business opportunities, that involve material interests of both companies. In such circumstances the allocations of expected costs and benefits between us and TerraForm Global necessarily give rise to conflicts. While we will endeavor to appropriately identify and manage such conflicts, the Company, as well as its directors and executive officers, will be subject to increased risk of conflict of interest claims.

In addition, certain of our directors and executive officers own stock or restricted stock units in both companies, and these ownership interests could create actual, perceived or potential conflicts of interest when our common directors and officers are faced with decisions that could have different implications for us and TerraForm Global, including, but not limited to, approval of the Merger and the Sponsorship Transaction.

Risks Related to our Delayed Exchange Act Filings

Continued delays in the filing of our reports with the SEC, as well as further delays in the preparation of audited financial statements at the project level, could have a material adverse effect.

We are continuing our efforts to regain compliance with NASDAQ's continued listing requirements with respect to our delayed SEC periodic reports, however, due to, among other things, the time and resources required to complete our delayed SEC periodic reports, including our Form 10-K for the year ended December 31, 2015 and our Forms 10-Q for the first, second and third quarters of 2016, the Company has experienced delays in its ongoing efforts to complete all steps and tasks necessary to finalize financial statements and other disclosures required to be in this Form 10-K for the year ended December 31, 2016 and subsequent quarterly reports. There can be no assurance that the Company's future periodic reports will not be delayed for similar reasons.

On June 29, 2017, we received a notification letter from NASDAQ that granted us further extensions to regain compliance with NASDAQ's continued listing requirements, subject to the requirement that this Form 10-K for the year ended December 31, 2016 be filed with the SEC by July 24, 2017, our annual meeting of stockholders be held by August 24, 2017, our Form 10-Q for the first quarter of 2017 be filed with the SEC by August 30, 2017 and our Form 10-Q for the second quarter of 2017 be filed with the SEC by September 30, 2017. The NASDAQ hearings panel reserved the right to reconsider the terms of the extension and the NASDAQ Listing and Hearing Review Council may determine to review the hearing panel's decision. This Form 10-K for the year ended December 31, 2016 was filed with the SEC prior to July 24, 2017. In the event that our Forms 10-Q for the first and second quarter of 2017 are not filed by these dates or if any future periodic report is delayed, or if we are unable to hold our annual meeting before August 24, 2017, there is no assurance that we will be able to obtain further extensions from NASDAQ to regain compliance with NASDAQ's continued listing requirements with respect to any such delayed periodic report or annual meeting. If we fail to obtain such further extensions from NASDAQ, our Class A common stock would likely be delisted from the NASDAQ Global Select Market.

On April 26, 2017, we entered into an amendment to the terms of the Revolver extending the date by which the financial statements and accompanying information with respect to the fiscal quarter ended March 31, 2017 must be delivered until July 31, 2017, with a 10-business day cure period. The terms of the amendment also extended the dates by which the financial statements and accompanying information with respect to the fiscal quarters ending June 30, 2017 and September 30, 2017 must be delivered until the date that is 75 days after the end of each such fiscal quarter, with a 10-business day cure period. Failure to file our respective Forms 10-Q by these dates may result in an event of default under the terms of the Revolver.

The delay in filing our Forms 10-K and Forms 10-Q and related financial statements may impair our ability to obtain financing and access the capital markets, including our ability to consummate any financings required in connection with the Merger and the Sponsorship Transaction. For example, as a result of the delayed filing of our periodic reports with the SEC, we will not be eligible to register the offer and sale of our securities using a short-form registration statement on Form S-3 until we have timely filed all periodic reports required under the Securities Exchange Act of 1934, as amended, for one year. Should we wish to register the offer and sale of our securities to the public prior to the time that we regain eligibility to use Form S-3, our transaction costs and the amount of time required to complete financing transactions could increase. These delays will also negatively impact our ability to obtain project financing and our ability to obtain waivers or forbearances with respect to defaults or breaches of project-level financing. An inability to obtaining financing may have a material adverse effect on our ability to grow our business, acquire assets through acquisitions or optimize our portfolio and capital structure. Additionally, the delay in audited financial statements may reduce the comfort of our Board with approving the payment of dividends.

Audited financial statements at the project-level have also been delayed. This delay has created defaults under most of our non-recourse financing agreements, which, if not cured or waived may restrict the ability of the project-level subsidiaries to make distributions to us or entitle the related lenders to demand repayment or enforce their security interests, which could have a material adverse effect on our business, results of operations, financial condition and ability to pay dividends. Such defaults may also restrict the ability of the project companies to make distributions to us, which could impact our ability to comply with corporate-level debt covenants.

Risks Related to our Business

Our failure to achieve and maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act as a public company could have a material adverse effect on our business and share price.

Prior to completion of our IPO on July 23, 2014, we had not operated as a public company and did not have to independently comply with Section 404(a) of the Sarbanes-Oxley Act. We are required to meet these standards in the course of preparing our financial statements as of and for the year ended December 31, 2016, and our management is required to report on the effectiveness of our internal control over financial reporting for such year. Additionally, as we are no longer an emerging growth company, as defined by the JOBS Act, our independent registered public accounting firm is required pursuant to Section 404(b) of the Sarbanes-Oxley Act to attest to the effectiveness of our internal control over financial reporting on an annual basis. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected on a timely basis. The existence of any material weakness would require management to devote significant time and incur significant expense to remediate any such material weaknesses and management may not be able to remediate any such material weaknesses in a timely manner.

As of December 31, 2016, we did not maintain an effective control environment attributable to certain identified material weaknesses. Refer to *Item 9A. Controls and Procedures* for discussion regarding these material weaknesses.

These control deficiencies resulted in several material misstatements to the preliminary consolidated financial statements that were corrected prior to the issuance of the audited consolidated financial statements. These control deficiencies create a reasonable possibility that a material misstatement to the consolidated financial statements will not be prevented or detected on a timely basis, and therefore we concluded that the deficiencies represent material weaknesses in the Company's internal control over financial reporting and our internal control over financial reporting was not effective as of December 31, 2016.

The existence of these or other material weakness in our internal control over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements, cause us to fail to meet our reporting obligations and cause stockholders to lose confidence in our reported financial information, all of which could materially and adversely affect our business and stock price.

Our inability to access the capital markets has increased certain of the risks we face.

Our ability to access the capital markets has been limited as a result of the SunEdison Bankruptcy and other risks that we face. This inability to access the capital markets has contributed to increased uncertainty and heightened some of the risks we face. While we remain focused on executing our near-term objectives, we will continue to monitor market developments and consider further adjustments to our plans and priorities if required, which could result in further significant changes to our business strategy. As a result of the negative impact on our business from these developments, we no longer expect in the near-term to achieve the growth rate in our dividend per Class A common share that we had been targeting.

Furthermore, any significant disruption to our ability to access the capital markets, or a significant increase in interest rates, could make it difficult for us to successfully acquire attractive renewable energy facilities and may also limit our ability to obtain debt or equity financing to complete such acquisitions. If we are unable to raise adequate proceeds when needed to fund such acquisitions, the ability to grow our renewable energy facility portfolio may be limited, which could have a material adverse effect on our ability to implement our growth strategy and, ultimately, our projected cash available for distribution, business, financial condition, results of operations and cash flows.

We are involved in costly and time-consuming litigation and other regulatory proceedings, including the SunEdison Bankruptcy proceedings, which require significant attention from our management and involve a greater exposure to legal liability.

We have been and continue to be involved in legal proceedings, administrative proceedings, claims and other litigation that arise in the ordinary course of business, including due to failed or terminated transactions. In addition, we are named as defendants from time to time in other lawsuits and regulatory actions relating to our business, some of which may claim significant damages. SunEdison's controlling interests in TerraForm Power and the position of certain of our executive officers on the Board and in senior management of TerraForm Power have resulted in, and may increase the possibility of future claims of breaches of fiduciary duties including claims of conflicts of interest related to TerraForm Power. We have also been subject to claims arising out of our acquisition activities with respect to certain payments in connection with the acquisition of First Wind by SunEdison. In the event that we are not able to consummate the Merger and the Sponsorship Transaction or if the Settlement Agreement does not become effective for any reason, we also may be subject to litigation arising out of the SunEdison Bankruptcy, including actions to avoid transfers made to us by SunEdison or transactions that we consummated with SunEdison including transactions relating to our initial public offering and the acquisition by us of renewable energy projects from SunEdison. For more information regarding our outstanding legal proceedings and related matters, see Note 19 to our consolidated financial statements included in this Annual Report on Form 10-K. We may face additional litigation exposure in connection with the completion or termination of the Merger and the Sponsorship Transaction.

Due to the inherent uncertainties of litigation and regulatory proceedings, we cannot accurately predict the ultimate outcome of any such proceedings. Unfavorable outcomes or developments relating to these proceedings, or new proceeding involving similar allegations or otherwise, such as monetary damages or equitable remedies, could have a material adverse impact on our business and financial position, results of operations or cash flows or limit our ability to engage in certain of our business activities. Settlement of claims could adversely affect our financial condition and results of operations. In addition, regardless of the outcome of any litigation or regulatory proceedings, such proceedings are often expensive, lengthy and disruptive to normal business operations and require significant attention from our management. We are currently, and/or may be subject in the future, to claims, lawsuits or arbitration proceedings related to matters in tort or under contracts, employment matters, securities class action lawsuits, shareholder derivative actions, breaches of fiduciary duty, conflicts of interest, tax authority examinations or other lawsuits, regulatory actions or government inquiries and investigations.

In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We have become the target of such securities litigation (see *Note 19. Commitments and Contingencies* to our consolidated financial statements) and we may become the target of additional securities litigation in the future, which could result in substantial costs and divert our management's attention from other business concerns, which could have a material adverse effect on our business.

Current or future litigation or administrative proceedings relating to the operation of our renewable energy facilities could have a material adverse effect on our business, financial condition and results of operations.

We have and continue to be involved in legal proceedings, administrative proceedings, claims and other litigation relating to the operation of our renewable energy facilities that arises in the ordinary course of business. Individuals and interest groups may sue to challenge the issuance of a permit for a renewable energy facility. A renewable energy facility may also be subject to legal proceedings or claims contesting the operation of the facility. Due to the inherent uncertainties of litigation and regulatory proceedings, we cannot accurately predict the ultimate outcome of any such proceedings. Unfavorable outcomes or developments relating to these proceedings, such as judgments for monetary damages, injunctions or denial or revocation of permits, could have a material adverse effect on our business, financial condition and results of operations. Settlement of claims could adversely affect our financial condition and results of operations. In addition, regardless of the outcome of any litigation or regulatory proceedings, such proceedings are often expensive, lengthy and disruptive to normal business operations and require significant attention from our management. As described in the risk factor *"The SunEdison Bankruptcy has subjected us to increased litigation risk,"* the SunEdison bankruptcy also increases our risks in certain of these proceedings and in future litigation.

Board and management changes could have a material adverse impact on our business.

Since November of 2015, as a result of personnel decisions by SunEdison, the SunEdison Bankruptcy, our evaluation of strategic alternatives and related developments, we have experienced a series of significant changes in the Board and our senior management, including, among other things, the removal of our initial President and Chief Executive Officer, the resignation of his successor, the appointment of our Chairman and Interim Chief Executive Officer, the removal and appointment of our Chief Financial Officer and a substantial change in the composition of the Board. For additional information, see "Recent Developments - *Corporate Governance Changes*" within *Item 1. Business*. As a significant number of the members of the Board and our senior management have served in such capacity for only a short time, we face the risks that they may have limited familiarity with our business and operations or lack experience in communicating within the management team and with our other staff. Although we endeavor to implement any director and management transition in as non-disruptive a manner as possible, leadership changes can be inherently difficult to manage and may cause significant disruption to our business and give rise to uncertainty among our customers, business partners, service providers, staff, investors and other third parties concerning our future direction and performance. This could, in turn, impair our ability to execute our business strategy successfully and adversely affect our business and results of operations.

A significant portion of our assets consists of long-lived assets, the value of which may be reduced if we determine that those assets are impaired.

Long-lived assets consist of renewable energy facilities, intangible assets and goodwill. Renewable energy facilities and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate carrying values may not be recoverable. An impairment loss is recognized if the total future estimated undiscounted cash flows expected from an asset are less than its carrying value. Goodwill is evaluated for impairment annually or more frequently if circumstances indicate impairment may have occurred; the impairment assessment requires that we consider, among other factors, differences between the current book value and estimated fair value of the respective reporting unit, including goodwill. As of December 31, 2016, the net carrying value of long-lived assets represented $6,135.4 million, or 79.6%, of our total assets.

Based on our annual goodwill impairment testing conducted as of December 1, 2016, and a review of any potential indicators of impairment, we concluded that the carrying value of goodwill of $55.9 million was impaired and it was fully written off in 2016. In addition, as a result of classifying substantially all of our portfolio of residential rooftop solar assets located in the United States as held for sale during the fourth quarter of 2016 and determining that the carrying value exceeded the fair value less costs to sell, we recorded an impairment charge of $15.7 million within impairment of renewable energy facilities in the consolidated statement of operations for the year ended December 31, 2016. We also recorded a $3.3 million charge within impairment of renewable energy facilities for the year ended December 31, 2016 due to the decision to abandon certain residential construction in progress assets that were not completed by SunEdison as a result of the SunEdison Bankruptcy. There were no impairments of intangible assets. If intangible assets or additional renewable energy facilities are impaired based on a future impairment test, we could be required to record further non-cash impairment charges to our operating income. Such non-cash impairment charges, if significant, could materially and adversely affect our results of operations in the period recognized.

Counterparties to our PPAs may not fulfill their obligations or may seek to terminate the PPA early, which could result in a material adverse impact on our business, financial condition, results of operations and cash flows.

All but a minor portion of the electricity generated by our current portfolio of renewable energy facilities is sold under long-term PPAs, including power purchase agreements with public utilities or commercial, industrial or government end-users or hedge agreements with investment banks and creditworthy counterparties. Certain of the PPAs associated with renewable energy facilities in our portfolio allow the offtake purchaser to terminate the PPA in the event certain operating thresholds or performance measures are not achieved within specified time periods or, in certain instances, by payment of an early termination fee. If a PPA was terminated or if, for any reason, any purchaser of power under these contracts is unable or unwilling to fulfill their related contractual obligations or refuses to accept delivery of power delivered thereunder, and if we are unable to enter a new PPA on acceptable terms in a timely fashion or at all, we would be required to sell the power from the associated renewable energy facility into the wholesale power markets, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. The risks factors *"The SunEdison Bankruptcy may adversely affect our relationships with current or potential counterparties"* and *"The SunEdison Bankruptcy could result in a material adverse effect on many of our projects because SunEdison is a party to a material project agreement or a guarantor thereof, or because SunEdison was the original owner of the project"* describe additional risks with respect to our counterparty relationships and PPAs due to the SunEdison Bankruptcy.

Certain of our PPAs allow the offtake purchaser to buy out a portion of the renewable energy facility upon the occurrence of certain events, in which case we will need to find suitable replacement renewable energy facilities to invest in.

Certain of the PPAs for renewable energy facilities in our portfolio or that we may acquire in the future allow the offtake purchaser to purchase all or a portion of the applicable renewable energy facility from us. If the offtake purchaser exercises its right to purchase all or a portion of the renewable energy facility, we would need to reinvest the proceeds from the sale in one or more renewable energy facilities with similar economic attributes in order to maintain our cash available for distribution. If we were unable to locate and acquire suitable replacement renewable energy facilities in a timely fashion it could have a material adverse effect on our results of operations and cash available for distribution.

Most of our PPAs do not include inflation-based price increases.

In general, our PPAs do not contain inflation-based price increase provisions. To the extent that the countries in which we conduct our business experience high rates of inflation, thereby increasing our operating costs in those countries, we may not be able to generate sufficient revenues to offset the effects of inflation, which could materially and adversely affect our business, financial condition, results of operations and cash flows.

A material drop in the retail price of utility-generated electricity or electricity from other sources could increase competition for new PPAs, limiting our ability to attract new customers and adversely affecting our growth.

Decreases in the retail prices of electricity supplied by utilities or other clean energy sources would harm our ability to offer competitive pricing and could harm our ability to sign PPAs with new customers. The price of electricity from utilities could decrease for a number of reasons, including:

- the construction of a significant number of new power generation plants, including nuclear, coal, natural gas or renewable energy facilities;
- the construction of additional electric transmission and distribution lines;
- a reduction in the price of natural gas, including as a result of new drilling techniques or a relaxation of associated regulatory standards;
- energy conservation technologies and public initiatives to reduce electricity consumption; and
- the development of new clean energy technologies that provide less expensive energy.

A shift in the timing of peak rates for utility-supplied electricity to a time of day when solar energy generation is less efficient could make solar energy less competitive and reduce demand. If the retail price of energy available from utilities were to decrease, we would be at a competitive disadvantage in negotiating new PPAs and therefore we may be unable to attract new customers and our growth would be limited, and the value of our renewable energy facilities may be impaired or their useful life may be shortened.

We may not be able to replace expiring PPAs with contracts on similar terms. If we are unable to replace an expired distributed generation PPA with an acceptable new contract, we may be required to remove the renewable energy facility from the site or, alternatively, we may sell the assets to the site host.

We may not be able to replace an expiring PPA with a contract on equivalent terms and conditions, including at prices that permit operation of the related facility on a profitable basis. If we are unable to replace an expiring PPA with an acceptable new revenue contract, the affected site may temporarily or permanently cease operations or we may be required to sell the power produced by the facility at wholesale prices which are exposed to market fluctuations and risks. In the case of a distributed generation solar facility that ceases operations, the PPA terms generally require that we remove the assets, including fixing or reimbursing the site owner for any damages caused by the assets or the removal of such assets. The cost of removing a significant number of distributed generation solar facilities could be material. Alternatively, we may agree to sell the assets to the site owner, but the terms and conditions, including price, that we would receive in any sale, and the sale price may not be sufficient to replace the revenue previously generated by the solar generation facility.

Our renewable energy facilities are exposed to curtailment risks, which may reduce the return to us on those investments and adversely impact our business, financial condition, and results of operations.

Certain of our renewable energy facilities' generation of electricity may be curtailed without compensation due to transmission limitations or limitations on the electricity grid's ability to accommodate intermittent electricity generating sources, reducing our revenues and impairing our ability to capitalize fully on a particular assets potential.

We are also experiencing curtailment with respect to other of our solar and wind power plants. Solutions to ameliorate or eliminate curtailment with respect to our power plants may not be available or may not be effective or may be cost prohibitive to undertake and implement. Curtailment at levels above our expectations could have a material adverse effect on our business, financial condition and results of operations and cash flows and our ability to pay dividends to holders of our Class A common stock.

The growth of our business depends on locating and acquiring interests in attractive renewable energy facilities at favorable prices and with favorable financing terms. Additionally, even if we consummate such acquisitions and financings on terms that we believe are favorable, such acquisitions may in fact result in a decrease in cash available for distribution per Class A common share.

Our primary business strategy is to acquire renewable energy facilities that are operational at the time of acquisition. We may also, in limited circumstances, acquire renewable energy facilities that are pre-operational. We have not changed our long-term strategy which is to pursue opportunities to acquire renewable energy facilities and grow our portfolio. The following factors, among others, could affect the availability of attractive renewable energy facilities to grow our business and dividend per Class A common share:

- competing bids for a renewable energy facility, including from companies that may have substantially greater capital and other resources than we do;
- fewer third party acquisition opportunities than we expect, which could result from, among other things, available renewable energy facilities having less desirable economic returns or higher risk profiles than we believe suitable for our business plan and investment strategy;
- risk relating to our ability to successfully acquire projects from the ROFO Pipeline pursuant to the Sponsorship Transaction with Brookfield; and
- our access to the capital markets for equity and debt (including project-level debt) at a cost and on terms that would be accretive to our shareholders.

We will not be able to increase our dividend per share unless we are able to acquire additional renewable energy facilities at favorable prices, optimize our portfolio and capital structure. Even if we consummate acquisitions that we believe will be accretive to our dividends per share, those acquisitions may in fact result in a decrease in dividends per share as a result of incorrect assumptions in our evaluation of such acquisitions, unforeseen consequences or external events beyond our control.

Our acquisition strategy exposes us to substantial risk.

The acquisition of renewable energy facilities is subject to substantial risk, including the failure to identify material problems during due diligence (for which we may not be indemnified post-closing), the risk of over-paying for assets (or not making acquisitions on an accretive basis), the ability to obtain or retain customers and, if the renewable energy facilities are in new markets, the risks of entering markets where we have limited experience. While we perform due diligence on prospective acquisitions, we may not be able to discover all potential operational deficiencies in such renewable energy facilities. In addition, our expectations for the operating performance of newly constructed renewable energy facilities as well as those under construction are based on assumptions and estimates made without the benefit of operating history. However, the ability of these renewable energy facilities to meet our performance expectations is subject to the risks inherent in newly constructed renewable energy facilities and the construction of such facilities, including, but not limited to, degradation of equipment in excess of our expectations, system failures and outages. Future acquisitions may not perform as expected or the returns from such acquisitions may not support the financing utilized to acquire them or maintain them. Furthermore, integration and consolidation of acquisitions requires substantial human, financial and other resources and may divert management's attention from our existing business concerns, disrupt our ongoing business or not be successfully integrated. As a result, the consummation of acquisitions may have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may not be able to effectively identify or consummate any future acquisitions. Additionally, even if we consummate acquisitions, such acquisitions may in fact result in a decrease in cash available for distribution to holders of our Class A common stock. In addition, we may engage in asset dispositions or other transactions that result in a decrease in our cash available for distribution.

Future acquisition opportunities for renewable energy facilities are limited. While Brookfield and its affiliates will grant us a right of first offer with respect to the projects in the ROFO Pipeline following consummation of the Merger, there is no assurance we will be able to acquire or successfully integrate any such projects. We will compete with other companies for future acquisition opportunities from Brookfield and its affiliates and third parties.

This may increase our cost of making acquisitions or cause us to refrain from making acquisitions at all. Some of our competitors are much larger than us with substantially greater resources. These companies may be able to pay more for acquisitions and may be able to identify, evaluate, bid for and purchase a greater number of assets than our resources permit. If we are unable to identify and consummate future acquisitions, it will impede our ability to execute our growth strategy and limit our ability to increase the amount of dividends paid to holders of our Class A common stock. In addition, as we continue to manage our liquidity profile, we may engage in asset dispositions, or incur additional project-level debt, which may result in a decrease in our cash available for distribution.

The substantial decline of our stock price has significantly increased the difficulty of identifying acquisitions that we believe will be accretive to cash available for distribution to shareholders per unit. Even if we consummate acquisitions that we believe will be accretive to such cash per unit, those acquisitions may in fact result in a decrease in such cash per unit as a result of incorrect assumptions in our evaluation of such acquisitions, unforeseen consequences or other external events beyond our control. Furthermore, if we consummate any future acquisitions, our capitalization and results of operations may change significantly, and stockholders will generally not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in determining the application of these funds and other resources. As a result of the negative impact on our business from these developments, we no longer expect to achieve the growth rate in our dividend per Class A common share that we had been targeting. If our stock price continues to trade at current levels, we may not be able to consummate transactions that are accretive to such cash per unit or increase our dividend per share of Class A common stock.

Our ability to grow and make acquisitions with cash on hand may be limited by our cash dividend policy.

Although we believe it is prudent to defer any decision on paying dividends to our stockholders for the time being given the limitations on our ability to access the capital markets and the other risks that we face, in the future we intend to continue our dividend policy of causing Terra LLC to distribute an appropriate portion of cash to unitholders in order to permit TerraForm Power to pay dividends to its shareholders each quarter and to rely primarily upon external financing sources, including the issuance of debt and equity securities and to fund our acquisitions and growth capital expenditures. We may be precluded from pursuing otherwise attractive acquisitions if the projected short-term cash flow from the acquisition or investment is not adequate to service the capital raised to fund the acquisition or investment. As such, our growth may not be as fast as that of businesses that reinvest their available cash to expand ongoing operations.

Our indebtedness could adversely affect our financial condition and ability to operate our business, including restricting our ability to pay cash dividends or react to changes in the economy or our industry.

Our substantial debt could have important negative consequences on our financial condition and we may incur substantial indebtedness in the future. These negative consequences may include:

- increasing our vulnerability to general economic and industry conditions and to the consequences of the SunEdison Bankruptcy and to our delayed financial statements;
- requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to pay dividends to holders of our Class A common stock or to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- limiting our ability to enter into or receive payments under long-term power sales which require credit support;
- limiting our ability to fund operations or future acquisitions;
- restricting our ability to make certain distributions with respect to our capital stock and the ability of our subsidiaries to make certain distributions to us, in light of restricted payment and other financial covenants in our credit facilities and other financing agreements;

- exposing us to the risk of increased interest rates because certain of our borrowings, which may include borrowings under our Revolver, are at variable rates of interest;
- limiting our ability to obtain additional financing for working capital, including collateral postings, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who have less debt.

Our Revolver, Senior Notes due 2023 and Senior Notes due 2025 contain financial and other restrictive covenants that limit our ability to return capital to stockholders or otherwise engage in activities that may be in our long-term best interests. Our inability to satisfy certain financial covenants could prevent us from paying cash dividends, and our failure to comply with those and other covenants could result in an event of default which, if not cured or waived, may entitle the related lenders to demand repayment and accelerate the indebtedness or, in the case of the Revolver, enforce their security interests, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Limitations on our ability to distribute cash from our project-level subsidiaries to the Company, including as a result of defaults on our project-level indebtedness, will negatively impact our ability to satisfy financial tests under our Revolver or otherwise meet financial tests under our Senior Notes due 2023 and Senior Notes due 2025. As described above, on April 26, 2017, Terra Operating LLC entered into an amendment to the Revolver amending the financial tests under our Revolver. There can be no assurance that we will be able to comply with the amendment financial tests.

Our existing agreements governing our non-recourse financing also contain financial and other restrictive covenants that limit our project subsidiaries' ability to make distributions to us or otherwise engage in activities that may be in our long-term best interests. We expect any future project financings that we incur or assume will contain similar provisions. The non-recourse financing agreements generally prohibit distributions from the project entities to us unless certain specific conditions are met, including the satisfaction of certain financial ratios and the absence of defaults or events of default. As described above, during the course of 2016 most of our projects that have project-level debt financing were in default. While we have cured most of those defaults, we have experienced, or expect to experience, additional defaults in most of these same project-level debt financings as a result in delays in delivering our 2016 corporate and project-level audited financial statements. Our inability to satisfy certain financial covenants or cure these or other defaults or events of default may prevent cash distributions by the particular project(s) to us. The risks with respect to the SunEdison Bankruptcy on our project financings is further detailed in *"Because SunEdison is a party to a material project agreement or a guarantor thereof, the SunEdison Bankruptcy could result in a material adverse effect on many of our projects"* above. Our failure to obtain such waivers or forbearance agreements with respect to defaults or to comply with those and other covenants has resulted in (or could result in future) events of default which, if not cured or waived may entitle the related lenders to demand repayment or enforce their security interests, which could have a material adverse effect on our business, results of operations and financial condition. If we are unable to make distributions from our project-level subsidiaries, it would likely have a material adverse effect on our ability to meet corporate-level debt service obligations, as well as pay dividends to holders of our Class A common stock.

If our subsidiaries default on their obligations under their non-recourse indebtedness or voluntarily or involuntarily commence bankruptcy proceedings, this may constitute an event of default under our Revolver, and we may be required to make payments to lenders to avoid such default or to prevent foreclosure on the collateral securing the non-recourse debt. If we are unable to or decide not to make such payments, we would lose certain of our renewable energy facilities upon foreclosure.

Our subsidiaries incur, and we expect will in the future incur, various types of non-recourse indebtedness. Non-recourse debt is repayable solely from the applicable renewable energy facility's revenues and is secured by the facility's physical assets, major contracts, cash accounts and, in many cases, our ownership interest in the project subsidiary. We may incur non-recourse indebtedness with respect to a single asset or with respect to a portfolio of assets. Limited recourse debt is debt where a limited guarantee is provided, and recourse debt is debt where a full corporate guarantee is provided, which means if our subsidiaries default on these obligations, we would be liable directly to those lenders, although in the case of limited recourse debt only to the extent of our limited recourse obligations. To satisfy these obligations, we may be required to use amounts distributed by our other subsidiaries as well as other sources of available cash, reducing our cash available to execute our business plan and pay dividends to holders of our Class A common stock. In addition, if our subsidiaries default on their obligations under any limited recourse financing agreements or voluntarily or involuntarily commence bankruptcy proceedings, this may, under certain circumstances if Terra LLC or Terra Operating LLC were to guarantee such obligations and the amounts guaranteed exceeded $75 million, individually or in the aggregate, result in an event of default under our Revolver, allowing our lenders to foreclose on their security interests in our ownership interests in our subsidiaries.

Even if that is not the case, we may decide to make payments to prevent the lenders of these subsidiaries from foreclosing on the relevant collateral. Such a foreclosure could result in us losing our ownership interest in the subsidiary or in some or all of its assets. The loss of our ownership interest in one or more of our subsidiaries or some or all of their assets could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If we are unable to renew letter of credit facilities, our business, financial condition, results of operations and cash flows may be materially adversely affected.

Our Revolver includes a letter of credit facility to support project-level contractual obligations. This letter of credit facility will need to be renewed as of January 27, 2020 and we are required to satisfy the applicable financial ratios and covenants throughout the term of the letter of credit facility. In the event that we consummate the Merger and the Sponsorship Transaction we will need to secure a replacement letter of credit facility. If we are unable to renew our letters of credit as expected or if we are only able to replace them with letters of credit under different facilities on less favorable terms, we may experience a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, the inability to provide letters of credit could constitute a default under certain non-recourse financing arrangements, restrict the ability of the project-level subsidiary to make distributions to us and/or reduce the amount of cash available at such subsidiary to make distributions to us.

Our ability to raise additional capital to fund our operations may be limited.

Our primary business strategy is to own, operate and acquire operational clean power generation assets. We do not always expect to have sufficient amounts of cash on hand to fund all such future acquisition costs. As a result, we will need to arrange additional financing to fund a portion of such acquisitions, potential contingent liabilities and other aspects of our operations. Our ability to arrange additional financing, either at the corporate-level or at a non-recourse project-level subsidiary, may be limited. Additional financing, including the costs of such financing, will be dependent on numerous factors, including:

- general economic and capital market conditions;
- credit availability from banks and other financial institutions;
- investor confidence in us, our partners, SunEdison or Brookfield (assuming the consummation of the Sponsorship Transaction), as our principal stockholder (on a combined voting basis), manager under the MSA and frequently as asset and O&M manager for our projects, and the regional wholesale power markets;
- the impact of the SunEdison Bankruptcy and the Sponsorship Transaction;
- our financial performance and the financial performance of our subsidiaries;
- our level of indebtedness and compliance with covenants in debt agreements;
- when we file our Forms 10-Q for the quarters ended March 31, 2017 and June 30, 2017 and future quarters and obtain audited project-level financial statements;
- maintenance of acceptable credit ratings or credit quality, including maintenance of the legal and tax structure of the project-level subsidiary upon which the credit ratings may depend;
- our cash flows; and
- provisions of tax and securities laws that may impact raising capital.

We may not be successful in obtaining additional financing for these or other reasons. Furthermore, we may be unable to refinance or replace non-recourse financing arrangements or other credit facilities on favorable terms or at all upon the expiration or termination thereof. Our failure, or the failure of any of our renewable energy facilities, to obtain additional capital or enter into new or replacement financing arrangements when due may constitute a default under such existing indebtedness and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Credit ratings downgrades have resulted in a negative perception of our creditworthiness, and will adversely affect our ability to raise additional financing.

Credit ratings agencies have issued corporate and issuer credit ratings with respect to us and our Senior Notes due 2023 and Senior Notes due 2025. These ratings are used by investors (including debt investors) and other third parties in evaluating our credit risk. Credit ratings are continually revised. Our credit ratings have declined as a result of the SunEdison Bankruptcy and other risks that we face. This decline in our credit ratings will have a material negative impact on our ability to raise additional equity or indebtedness in the capital markets or could adversely affect the trading prices of our Class A common stock or Senior Notes due 2023 and Senior Notes due 2025. These declines could also negatively impact the perception of our counterparties and other stakeholders regarding our ability to meet our obligations. These perceptions and concerns may also cause our existing or potential new counterparties to be less likely to enter into new agreements or to demand more expensive or onerous terms, credit support, security or conditions. Further declines in our credit ratings may materially and negatively impact our business, financial condition and results of operations.

Our ability to generate revenue from certain utility-scale solar and wind power plants depends on having interconnection arrangements and services.

If the interconnection or transmission agreement of a clean power generation asset we own or acquire is terminated for any reason, we may not be able to replace it with an interconnection or transmission arrangement on terms as favorable as the existing arrangement, or at all, or we may experience significant delays or costs in securing a replacement. If a transmission network to which one or more of our existing power plants or a power plant we acquire is connected experiences "down time," the affected clean power generation asset may lose revenue and be exposed to non-performance penalties and claims from its customers. The owners of the network will not usually compensate electricity generators for lost income due to down time. These factors could materially affect our ability to forecast operations and negatively affect our business, results of operations, financial condition and cash flows.

We cannot predict whether transmission facilities will be expanded in specific markets to accommodate competitive access to those markets. In addition, certain of our operating facilities' generation of electricity may be physically or economically curtailed without compensation due to transmission limitations, reducing our revenues and impairing our ability to capitalize fully on a particular facility's generating potential. Such curtailments could have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, economic congestion on the transmission grid (for instance, a positive price difference between the location where power is put on the grid by a clean power generation asset and the location where power is taken off the grid by the facility's customer) in certain of the bulk power markets in which we operate may occur and we may be deemed responsible for those congestion costs. If we were liable for such congestion costs, our financial results could be adversely affected.

We face competition from traditional and renewable energy companies.

The solar and wind energy industries, and the broader clean energy industry, are highly competitive and continually evolving, as market participants strive to distinguish themselves within their markets and compete with large incumbent utilities and new market entrants. We believe that our primary competitors are the traditional incumbent utilities that supply energy to our potential customers under highly regulated rate and tariff structures. We compete with these traditional utilities primarily based on price, predictability of price and the ease with which customers can switch to electricity generated by our renewable energy facilities. If we cannot offer compelling value to our customers based on these factors, then our business will not grow. Traditional utilities generally have substantially greater financial, technical, operational and other resources than we do, and as a result may be able to devote more resources to the research, development, promotion and sale of their products or respond more quickly to evolving industry standards and changes in market conditions than we can. Traditional utilities could also offer other value-added products or services that could help them to compete with us even if the cost of electricity they offer is higher than ours. In addition, the source of a majority of traditional utilities' electricity is non-renewable, which may allow them to sell electricity more cheaply than electricity generated by our solar generation facilities, wind power plants, and other types of clean power generation assets we may acquire.

We also face risks that traditional utilities could change their volumetric-based (i.e., cents per kWh) rate and tariff structures to make distributed solar generation less economically attractive to their retail customers. Currently, net metering programs are utilized in 43 states to support the growth of distributed generation solar facilities by requiring traditional utilities to reimburse certain of their retail customers for the excess power they generate at the level of the utilities' retail rates rather than the rates at which those utilities buy power at wholesale. In Arizona, the state has allowed its largest traditional utility, Arizona Public Service, to assess a surcharge on customers with solar generation facilities for their use of the utility's grid, based on the size of the customer's solar generation facility. This surcharge will reduce the economic returns for the excess electricity that the solar generation facilities produce. These types of changes or other types of changes that could reduce or eliminate the economic benefits of net metering could be implemented in other states, which could significantly change the economic benefits of solar energy as perceived by traditional utilities' retail customers.

We also face competition in the energy efficiency evaluation and upgrades market and we expect to face competition in additional markets as we introduce new energy-related products and services. As the solar and wind industries grow and evolve, we will also face new competitors who are not currently in the market. Our failure to adapt to changing market conditions and to compete successfully with existing or new competitors will limit our growth and will have a material adverse effect on our business and prospects.

There are a limited number of purchasers of utility-scale quantities of electricity, which exposes us and our utility-scale facilities to additional risk.

Since the transmission and distribution of electricity is either monopolized or highly concentrated in most jurisdictions, there are a limited number of possible purchasers for utility-scale quantities of electricity in a given geographic location, including transmission grid operators, state and investor-owned power companies, public utility districts and cooperatives. As a result, there is a concentrated pool of potential buyers for electricity generated by our renewable energy facilities, which may restrict our ability to negotiate favorable terms under new PPAs and could impact our ability to find new customers for the electricity generated by our renewable energy facilities should this become necessary. Furthermore, if the financial condition of these utilities and/or power purchasers deteriorated or the RPS programs, climate change programs or other regulations to which they are currently subject and that compel them to source renewable energy supplies change, demand for electricity produced by our utility-scale facilities could be negatively impacted.

In addition, provisions in our power sale arrangements may provide for the curtailment of delivery of electricity for various operational reasons at no cost to the power purchaser, including preventing damage to transmission systems and for system emergencies, force majeure, safety, reliability, maintenance and other operational reasons. Such curtailment would reduce revenues earned by us at no cost to the purchaser including, in addition to certain of the general types noted above, events in which energy purchases would result in costs greater than those which the purchaser would incur if it did not make such purchases but instead generated an equivalent amount of energy (provided that such curtailment is due to operational reasons and does not occur solely as a consequence of purchaser's filed avoided energy cost being lower than the agreement rates or purchasing less expensive energy from another facility). In Hawaii, where several of our wind power plants are located, purchasers are required to take reasonable steps to minimize the number and duration of curtailment events, and that such curtailments will generally be made in reverse chronological order based upon Hawaii utility commission approval (which is beneficial to older facilities such as our Kaheawa Wind Power I, or "KWP I"), such curtailments could still occur and reduce revenues to our Hawaii wind power plants. If we cannot enter into power sale arrangements on terms favorable to us, or at all, or if the purchaser under our power sale arrangements were to exercise its curtailment or other rights to reduce purchases or payments under such arrangements, our revenues and our decisions regarding development of additional renewable energy facilities may be adversely affected. The risks discussed above under "*The SunEdison Bankruptcy may adversely affect our relationships with current or potential counterparties*" may be increased by our dependence on a limited number of purchasers.

A significant deterioration in the financial performance of the brick and mortar retail industry could materially adversely affect our distributed generation business.

The financial performance of our distributed generation business depends in part upon the continued viability and financial stability of our customers in the retail industry with physical locations, such as medium and large independent retailers and distribution centers. If the retail industry is materially and adversely affected by an economic downturn, increase in inflation, increase in online competition, or other factors, one or more of our largest customers could encounter financial difficulty, and possibly, bankruptcy. If one or more of our largest customers were to encounter financial difficulty or declare bankruptcy, they may reduce their PPA payments to us or stop them altogether.

Our hedging activities may not adequately manage our exposure to commodity and financial risk, which could result in significant losses or require us to use cash collateral to meet margin requirements, each of which could have a material adverse effect on our business, financial condition, results of operations and liquidity, which could impair our ability to execute favorable financial hedges in the future.

Certain of our wind power plants are party to financial swaps or other hedging arrangements. We may also acquire additional assets with similar hedging arrangements in the future. Under the terms of the existing financial swaps, certain wind power plants are not obligated to physically deliver or purchase electricity. Instead, they receive payments for specified quantities of electricity based on a fixed-price and are obligated to pay the counterparty the market price for the same quantities of electricity. These financial swaps cover quantities of electricity that we estimated are highly likely to be produced. As a result, gains or losses under the financial swaps are designed to be offset by decreases or increases in a facility's revenues from spot sales of electricity in liquid markets. However, the actual amount of electricity a facility generates from operations may be materially different from our estimates for a variety of reasons, including variable wind conditions and wind turbine availability. If a wind power plant does not generate the volume of electricity covered by the associated swap contract, we could incur significant losses if electricity prices in the market rise substantially above the fixed-price provided for in the swap. If a wind power plant generates more electricity than is contracted in the swap, the excess production will not be hedged and the related revenues will be exposed to market price fluctuations. In some power markets, including the ERCOT market in Texas where we own two wind power plants with hedges with a gross nameplate capacity of approximately 407 MWs, at times we have experienced negative power prices with respect to merchant energy sales. In these situations, we must pay grid operators to take our power. Because our tax investors receive production tax credits from the production of energy from our wind plants, it may be economical for the plant to continue to produce power at negative prices, which results in our wind facility paying for the power it produces. Moreover, certain of these financial or hedging arrangements are financially settled with reference to energy prices (or locational marginal prices) at a certain hub or node on the transmission system in the relevant energy market. At the same time, revenues generated by physical sales of energy from the applicable facility may be determined by the energy price (or locational marginal price) at a different node on the transmission system. This is an industry practice used to address the lack of liquidity at individual facility locations. There is a risk, however, that prices at these two nodes differ materially, and as a result of this so called "basis risk," we may be required to settle our financial hedges at prices that are higher than the prices at which we are able to sell physical power from the applicable facility, thus reducing the effectiveness of the swap hedges.

We are exposed to foreign currency exchange risks because certain of our renewable energy facilities are located in foreign countries.

We generate a portion of our revenues and incur a portion of our expenses in currencies other than U.S. dollars. Changes in economic or political conditions in any of the countries in which we operate could result in exchange rate movement, new currency or exchange controls or other restrictions being imposed on our operations or expropriation. As our financial results are reported in U.S. dollars, if we generate revenue or earnings in other currencies, the translation of those results into U.S. dollars can result in a significant increase or decrease in the amount of those revenues or earnings. To the extent that we are unable to match revenues received in foreign currencies with costs paid in the same currency, exchange rate fluctuations in any such currency could have a negative impact on our profitability. Our debt service requirements are primarily in U.S. dollars even though a percentage of our cash flow is generated in other foreign currencies and therefore significant changes in the value of such foreign currencies relative to the U.S. dollar could have a material negative impact on our financial condition and our ability to meet interest and principal payments on debts denominated in U.S. dollars. In addition to currency translation risks, we incur currency transaction risks whenever we or one of our facilities enter into a purchase or sales transaction using a currency other than the local currency of the transacting entity.

Given the volatility of exchange rates, we cannot assure you that we will be able to effectively manage our currency transaction and/or translation risks. It is possible that volatility in currency exchange rates will have a material adverse effect on our financial condition or results of operations. We expect to experience economic losses and gains and negative and positive impacts on earnings as a result of foreign currency exchange rate fluctuations, particularly as a result of changes in the value of the Canadian dollar, the British pound and other currencies.

Additionally, although a portion of our revenues and expenses are denominated in foreign currency, we will pay dividends to holders of our Class A common stock in U.S. dollars. The amount of U.S. dollar denominated dividends paid to our holders of our Class A common stock will therefore be exposed to currency exchange rate risk. Although we have entered into certain hedging arrangements to help mitigate some of this exchange rate risk, these arrangements may not be sufficient. Changes in the foreign exchange rates could have a material negative impact on our results of operations and may adversely affect the amount of cash dividends paid by us to holders of our Class A common stock.

A substantial portion of our revenues are attributable to the sale of renewable energy credits and solar renewable energy credits, which are renewable energy attributes that are created under the laws of individual states of the United States, and our failure to be able to sell such RECs or SRECs at attractive prices, or at all, could materially adversely affect our business, financial condition and results of operation.

A substantial portion of our revenues (23% for fiscal 2016) are attributable to our sale of RECs and other environmental attributes of our facilities which are created under the laws of the state of the United States where the facility is located. We sometimes seek to sell forward a portion of our RECs or other environmental attributes under contracts having terms in excess of one year to fix the revenues from those attributes and hedge against future declines in prices of RECs or other environmental attributes. If our renewable energy facilities do not generate the amount of electricity required to earn the RECs or other environmental attributes sold under such forward contracts or if for any reason the electricity we generate does not produce RECs or other environmental attributes for a particular state, we may be required to make up the shortfall of RECs or other environmental attributes under such forward contracts through purchases on the open market or make payments of liquidated damages. We have from time to time provided guarantees of Terra LLC as credit support for these obligations. Additionally, forward contracts for REC sales often contain adequate assurances clauses that allow our counterparties to require us to provide credit support in the form of parent guarantees, letters of credit or cash collateral. In the months following the SunEdison Bankruptcy, we received requests for adequate assurance from several of our REC agreement counterparties. To date, despite these requests, we have not been required to provide such additional credit support.

We are currently limited in our ability to hedge sufficient volumes of our anticipated RECs or other environmental attributes, leaving us exposed to the risk of falling prices for RECs or other environmental attributes. RECs are created through state law requirements for utilities to purchase a portion of their energy from renewable energy sources and changes in state laws or regulation relating to RECs may adversely affect the availability of RECs or other environmental attributes and the future prices for RECs or other environmental attributes, which could have an adverse effect on our business, financial condition and results of operations.

Operation of renewable energy facilities involves significant risks and hazards that could have a material adverse effect on our business, financial condition, results of operations and cash flows. We may not have adequate insurance to cover these risks and hazards.

The ongoing operation of our facilities involves risks that include the breakdown or failure of equipment or processes or performance below expected levels of output or efficiency due to wear and tear, latent defect, design error or operator error or force majeure events, among other things. Operation of our facilities also involves risks that we will be unable to transport our product to our customers in an efficient manner due to a lack of transmission capacity. Unplanned outages of generating units, including extensions of scheduled outages, occur from time to time and are an inherent risk of our business. Unplanned outages typically increase our operation and maintenance expenses and may reduce our revenues as a result of generating and selling less power or require us to incur significant costs as a result of obtaining replacement power from third parties in the open market to satisfy our forward power sales obligations.

Our inability to efficiently operate our renewable energy facilities, manage capital expenditures and costs and generate earnings and cash flow from our asset-based businesses could have a material adverse effect on our business, financial condition, results of operations and cash flows. While we maintain insurance, obtain warranties from vendors and obligate contractors to meet certain performance levels, the proceeds of such insurance, warranties or performance guarantees may not cover our lost revenues, increased expenses or liquidated damages payments should we experience equipment breakdown or non-performance by contractors or vendors.

Power generation involves hazardous activities, including delivering electricity to transmission and distribution systems. In addition to natural risks such as earthquake, flood, lightning, hurricane and wind, other hazards, such as fire, structural collapse and machinery failure are inherent risks in our operations. These and other hazards can cause significant personal injury or loss of life, severe damage to and destruction of property, plant and equipment and contamination of, or damage to, the environment and suspension of operations. The occurrence of any one of these events may result in our being named as a defendant in lawsuits asserting claims for substantial damages, including for environmental cleanup costs, personal injury and property damage and fines and/or penalties. We maintain an amount of insurance protection that we consider adequate but we cannot provide any assurance that our insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which we may be subject. Furthermore, our insurance coverage is subject to deductibles, caps, exclusions and other limitations. A loss for which we are not fully insured could have a material adverse effect on our business, financial condition, results of operations or cash flows. Further, due to rising insurance costs and changes in the insurance markets, we cannot provide any assurance that our insurance coverage will continue to be available at all or at rates or on terms similar to those presently available. Any losses not covered by insurance could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our business is subject to substantial governmental regulation and may be adversely affected by changes in laws or regulations, as well as liability under, or any future inability to comply with, existing or future regulations or other legal requirements.

Our business is subject to extensive federal, state and local laws in the U.S. and regulations in the foreign countries in which we operate. Compliance with the requirements under these various regulatory regimes may cause us to incur significant costs, and failure to comply with such requirements could result in the shutdown of the non-complying facility or, the imposition of liens, fines and/or civil or criminal liability.

With the exception of certain of our utility scale plants, our renewable energy facilities located in the United States in our portfolio are QFs as defined under PURPA. Depending upon the power production capacity of the facility in question, our QFs and their immediate project company owners may be entitled to various exemptions from ratemaking and certain other regulatory provisions of the FPA, from the books and records access provisions of PUHCA, and from state organizational and financial regulation of electric utilities.

Certain of our utility scale plants and the owners of the EWG Projects (each, an “EWG Project Co”) are an EWG which exempts it and us (for purposes of our ownership of each such company) from the federal books and access provisions of PUHCA. Certain of the EWG Projects are also QFs. EWGs and their owners are subject to regulation for most purposes as “public utilities” under the FPA, including regulation of their rates and their issuances of securities. Each of our EWG

ProjectCos has obtained “market based rate authorization” and associated blanket authorizations and waivers from FERC under the FPA, which allows it to sell electricity, capacity and ancillary services at wholesale at negotiated, market based rates, instead of cost-of-service rates, as well as waivers of, and blanket authorizations under, certain FERC regulations that are commonly granted to market based rate sellers, including blanket authorizations to issue securities.

The failure of our QFs to maintain QF status may result in their becoming subject to significant additional regulatory requirements. In addition, the failure of the EWG ProjectCos, or our QFs to comply with applicable regulatory requirements may result in the imposition of penalties as discussed further in "*Business - Regulatory Matters"*.

In particular, the EWG ProjectCos, and any project companies that own or operate our QFs that obtain market based rate authority from FERC under the FPA are or will be subject to certain market behavior and anti-manipulation rules as established and enforced by FERC, and if they are determined to have violated those rules, will be subject to potential disgorgement of profits associated with the violation, penalties, and suspension or revocation of their market-based rate authority. If such entities were to lose their market-based rate authority, they would be required to obtain FERC’s acceptance of a cost-of-service rate schedule for wholesale sales of electric energy, capacity and ancillary services and could become subject to significant accounting, record-keeping, and reporting requirements that are imposed on FERC regulated public utilities with cost-based rate schedules.

Substantially all of our assets are also subject to the rules and regulations applicable to power generators generally, in particular the Reliability Standards of NERC or similar standards in Canada, the United Kingdom and Chile. If we fail to comply with these mandatory Reliability Standards, we could be subject to sanctions, including substantial monetary penalties, increased compliance obligations and disconnection from the grid.

The regulatory environment for electricity generation in the United States has undergone significant changes in the last several years due to state and federal policies affecting the wholesale and retail power markets and the creation of incentives for the addition of large amounts of new renewable energy generation and demand response resources. These changes are ongoing and we cannot predict the ultimate effect that the changing regulatory environment will have on our business. In addition, in some of these markets, interested parties have proposed material market design changes, as well as made proposals to re-regulate the markets or require divestiture of power generation assets by asset owners or operators to reduce their market share. If competitive restructuring of the power markets is reversed, discontinued or delayed, our business prospects and financial results could be negatively impacted.

Laws, governmental regulations and policies supporting renewable energy, and specifically solar and wind energy (including tax incentives), could change at any time, including as a result of new political leadership, and such changes may materially adversely affect our business and our growth strategy.

Renewable energy generation assets currently benefit from, or are affected by, various federal, state and local governmental incentives and regulatory policies. As further explained under “*Tax provisions and policies supporting renewable energy could change at any time, and such changes may result in a material increase in our estimated future income tax liability and may limit the current benefits of solar and wind energy investment*” below, in the United States, these policies include federal ITCs, PTCs, and trade import tariff policies, as well as state RPS and integrated resource plan (“IRP”) programs, state and local sales and property taxes, siting policies, grid access policies, rate design, net energy metering, and modified accelerated cost-recovery system of depreciation. The growth of our wind and solar energy business may be dependent on the U.S. Congress further extending the expiration date of, renewing or replacing ITC and PTCs, without which the market for tax equity financing for wind and solar power plants would likely be materially impaired or altogether cease to exist. The president of the United States has made public statements regarding overturning or modifying policies of or regulations enacted by the previous administration that placed limitations on coal and gas electric generation, mining and/or exploration. Any effort to overturn federal and state laws, regulations or policies that are supportive of wind and solar power plants or that remove costs or other limitations on other types of generation that compete with wind and solar power plants could materially and adversely affect our business, financial condition, results of operations and cash flows.

Many U.S. states have adopted RPS programs mandating that a specified percentage of electricity sales come from eligible sources of renewable energy. If the RPS requirements are reduced or eliminated, it could lead to fewer future power contracts or lead to lower prices for the sale of power in future power contracts, which could have a material adverse effect on our future growth prospects. Such material adverse effects may result from decreased revenues, reduced economic returns on certain project company investments, increased financing costs and/or difficulty obtaining financing.

Renewable energy sources in Canada benefit from federal and provincial incentives, such as RPS programs, accelerated cost recovery deductions allowed for tax purposes, the availability of offtake agreements through RPS and the

Ontario FIT program, and other commercially oriented incentives. Renewable energy sources in Chile benefit from an RPS program. Any adverse change to, or the elimination of, these incentives could have a material adverse effect on our business and our future growth prospects.

If any of the laws or governmental regulations or policies that support renewable energy change, or if we are subject to new and burdensome laws or regulations, such changes may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Maintenance, expansion and refurbishment of renewable energy facilities involve significant risks that could result in unplanned power outages or reduced output.

Our facilities may require periodic upgrading and improvement. Any unexpected operational or mechanical failure, including failure associated with breakdowns and forced outages, and any decreased operational or management performance, could reduce our facilities' generating capacity below expected levels, reducing our revenues and jeopardizing our ability to pay dividends to holders of our Class A common stock at forecasted levels or at all. Incomplete performance by SunEdison or third parties under O&M agreements may increase the risks of operational or mechanical failure of our facilities. Degradation of the performance of our renewable energy facilities provided for in the related PPAs may also reduce our revenues. Unanticipated capital expenditures associated with maintaining, upgrading or repairing our facilities may also reduce profitability.

We may also choose to refurbish or upgrade our facilities based on our assessment that such activity will provide adequate financial returns and key assumptions underpinning a decision to make such an investment may prove incorrect, including assumptions regarding construction costs, timing, available financing and future power prices. This could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Moreover, spare parts for wind turbines and solar facilities and key pieces of equipment may be hard to acquire or unavailable to us. Sources of some significant spare parts and other equipment are located outside of North America and the other jurisdictions in which we operate. If we were to experience a shortage of or inability to acquire critical spare parts we could incur significant delays in returning facilities to full operation, which could negatively impact our business financial condition, results of operations and cash flows.

Our KWP II wind power plant is required under its PPA to install and maintain a battery energy storage system, the manufacturer of which is in bankruptcy and no longer supplies batteries to any customers. If we are unable to source acceptable replacement batteries, this could result in a default under, or termination of, KWP II's PPA.

Our Kaheawa Wind Power II ("KWP II") wind power plant is required under its PPA to install and maintain a battery energy storage system ("BESS"). The manufacturer of the BESS is in bankruptcy and is no longer providing replacement batteries and other components for the BESS. We are sourcing replacement batteries from a new supplier, but such replacement batteries may not be sufficient for the system to operate as designed or may not be available in the quantities or at an economical price. Our Kahuku wind power plant had a similar BESS that was required to be operated under its PPA, but the BESS was destroyed in a fire. The facility installed a D-Var system as a replacement for the BESS under the Kahuku facility PPA, which has been operating as designed. If the BESS system at KWP II was damaged or could no longer operate, a D-Var could not be used at the KWP II facility as a replacement to the BESS due to technical constraints, and another replacement system may not be compatible or available at a price that would allow the facility to operate economically. Failure to maintain the battery system constitutes a default under KWP II's PPA and could result in the termination of KWP II's PPA, which could negatively impact our business financial condition, results of operations and cash flows.

Certain of the wind power plants use equipment originally produced and supplied by Clipper Windpower, LLC, or its affiliates ("Clipper") which no longer manufactures, warrants or services the wind turbines it produced. If Clipper equipment experiences defects in the future, we may not be able to obtain replacement components and will need to self-fund the correction or replacement of such equipment.

The Cohocton, Kahuku, Sheffield, and Steel Winds I and II wind power plants operate 92 Liberty turbines, with a combined nameplate capacity of 230.0 MW, supplied by Clipper. Since initial deployment, Clipper has announced and remediated various defects affecting the Liberty turbines deployed by us and by other customers, which resulted in prolonged downtime for turbines at various facilities. Moreover, Clipper no longer manufactures, warrants or services the Liberty turbines or other wind equipment it produced.

Beginning in 2012, we engaged in a number of litigation and arbitration proceedings with Clipper concerning the performance of the Liberty turbines. On February 12, 2013, all such disputes were settled pursuant to a Settlement, Release and Operation and Maintenance Transition Agreement among certain of our and Clipper entities. Pursuant to this agreement, we have, among other things, released Clipper of all of its warranty obligations with respect to the equipment supplied by Clipper, and the obligations under the related operation and maintenance contracts, and we have been granted by Clipper a non-exclusive, royalty-free, perpetual, irrevocable license to make, improve and modify any equipment supplied by Clipper and to create derivative works from such equipment.

As a result, if Clipper equipment experiences defects in the future, we will not have the benefit of a manufacturer's warranty on such original equipment, may not be able to obtain replacement components and will need to self-fund the correction or replacement of such equipment, which could negatively impact our business financial condition, results of operations and cash flows.

Developers of renewable energy facilities depend on a limited number of suppliers of solar panels, inverters, module turbines, towers and other system components and turbines and other equipment associated with wind power plants. Any shortage, delay or component price change from these suppliers could result in construction or installation delays, which could affect the number of renewable energy facilities we are able to acquire in the future.

There have been periods of industry-wide shortage of key components, including solar panels and wind turbines, in times of rapid industry growth. The manufacturing infrastructure for some of these components has a long lead time, requires significant capital investment and relies on the continued availability of key commodity materials, potentially resulting in an inability to meet demand for these components. In addition, the United States government has imposed tariffs on solar cells manufactured in China. Based on determinations by the United States government, the applicable anti-dumping tariff rates range from approximately 8% to 239%. To the extent that United States market participants experience harm from Chinese pricing practices, an additional tariff of approximately 15%-16% will be applied. If project developers purchase solar panels containing cells manufactured in China, our purchase price for renewable energy facilities would reflect the tariff penalties mentioned above. A shortage of key commodity materials could also lead to a reduction in the number of renewable energy facilities that we may have the opportunity to acquire in the future, or delay or increase the costs of acquisitions. The risks discussed above under "*The SunEdison Bankruptcy may adversely affect our relationships with current or potential counterparties*" may be increased by our dependence on a limited number of suppliers.

We may incur unexpected expenses if the suppliers of components in our renewable energy facilities default in their warranty obligations.

The solar panels, inverters, modules and other system components utilized in our solar generation facilities are generally covered by manufacturers' warranties, which typically range from 5 to 20 years. When purchasing wind turbines, the purchaser will enter into warranty agreements with the manufacturer which typically expire within two to five years after the turbine delivery date. In the event any such components fail to operate as required, we may be able to make a claim against the applicable warranty to cover all or a portion of the expense associated with the faulty component. However, these suppliers could cease operations and no longer honor the warranties, which would leave us to cover the expense associated with the faulty component. For example, a portion of our solar power plants utilize modules made by SunEdison and certain of its affiliates that are debtors in the SunEdison Bankruptcy. Our business, financial condition, results of operations and cash flows could be materially adversely affected if we cannot make claims under warranties covering our renewable energy facilities.

We are subject to environmental, health and safety laws and regulations and related compliance expenditures and liabilities.

Our assets are subject to numerous and significant federal, state, local and foreign laws, and other requirements governing or relating to the environment. Our facilities could experience incidents, malfunctions and other unplanned events, such as spills of hazardous materials that may result in personal injury, penalties and property damage. In addition, certain environmental laws may result in liability, regardless of fault, concerning contamination at a range of properties, including properties currently or formerly owned, leased or operated by us and properties where we disposed of, or arranged for disposal of, waste and other hazardous materials. As such, the operation of our facilities carries an inherent risk of environmental liabilities, and may result in our involvement from time to time in administrative and judicial proceedings relating to such matters. While we have implemented environmental management programs designed to continually improve environmental, health and safety performance, we cannot assure you that such liabilities including significant required capital expenditures, as well as the costs for complying with environmental laws and regulations, will not have a material adverse effect on our business, financial condition, results of operations and cash flows.

Harming of protected species can result in curtailment of wind power plant operations, monetary fines and negative publicity.

The operation of wind power plants can adversely affect endangered, threatened or otherwise protected animal species. Wind power plants, in particular, involve a risk that protected species will be harmed, as the turbine blades travel at a high rate of speed and may strike flying animals (such as birds or bats) that happen to travel into the path of spinning blades.

Our wind power plants are known to strike and kill flying animals, and occasionally strike and kill endangered or protected species, including protected golden or bald eagles. As a result, we expect to observe all industry guidelines and governmentally recommended best practices to avoid harm to protected species, such as avoiding structures with perches, avoiding guy wires that may kill birds or bats in flight, or avoiding lighting that may attract protected species at night. In addition, we will attempt to reduce the attractiveness of a site to predatory birds by site maintenance (e.g., mowing, removal of animal and bird carcasses, etc.).

Where possible, we will obtain permits for incidental taking of protected species. We hold such permits for some of our wind power plants, particularly in Hawaii, where several species are endangered and protected by law. We are currently in discussions with the U.S. Fish & Wildlife Service ("USF&WS") about obtaining incidental take permits for bald and golden eagles at locations with low to moderate risk of such events. We are also discussing with USF&WS amending the incidental take permits for certain wind power plants in Hawaii, where observed endangered species mortality has exceeded prior estimates and may exceed permit limits on such takings.

Excessive taking of protected species could result in requirements to implement mitigation strategies, including curtailment of operations, and/or substantial monetary fines and negative publicity. Our wind power plants in Hawaii, several of which hold incidental take permits to authorize the incidental taking of small numbers of protected species, are subject to curtailment (i.e., reduction in operations) if excessive taking of protected species is detected through monitoring. At some of the facilities in Hawaii, curtailment has been implemented, but not at levels that materially reduce electricity generation or revenues. Such curtailments (to protect bats) have reduced nighttime operation and limited operation to times when wind speeds are high enough to prevent bats from flying into a wind power plant's blades. Based on continuing concerns about species other than bats, however, additional curtailments are possible at those locations. We cannot guarantee that such curtailments, any monetary fines that are levied or negative publicity that we receive as a result of incidental taking of protected species will not have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks that are beyond our control, including but not limited to acts of terrorism or related acts of war, natural disasters, hostile cyber intrusions, theft or other catastrophic events, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our renewable energy facilities, or those that we otherwise acquire in the future, may be targets of terrorist activities that could cause environmental repercussions and/or result in full or partial disruption of the facilities' ability to generate electricity. Hostile cyber intrusions, including those targeting information systems as well as electronic control systems used at the facilities and for the related distribution systems, could severely disrupt business operations and result in loss of service to customers, as well as create significant expense to repair security breaches or system damage.

Furthermore, certain of our renewable energy facilities are located in active earthquake zones. The occurrence of a natural disaster, such as an earthquake, hurricane, lightning, flood or localized extended outages of critical utilities or transportation systems, or any critical resource shortages, affecting us could cause a significant interruption in our business, damage or destroy our facilities or those of our suppliers or the manufacturing equipment or inventory of our suppliers.

Additionally, certain of our renewable energy facilities and equipment are at risk for theft and damage. For example, we are at risk for copper wire theft, especially at our solar generation facilities, due to an increased demand for copper in the United States and internationally. Theft of copper wire or solar panels can cause significant disruption to our operations for a period of months and can lead to operating losses at those locations. Damage to wind turbine equipment may also occur, either through natural events such as lightning strikes that damage blades or in-ground electrical systems used to collect electricity from turbines, or through vandalism, such as gunshots into towers or other generating equipment. Such damage can cause disruption of operations for unspecified periods which may lead to operating losses at those locations.

Any such terrorist acts, environmental repercussions or disruptions, natural disasters or theft incidents could result in a significant decrease in revenues or significant reconstruction, remediation or replacement costs, beyond what could be recovered through insurance policies, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Any cyber-attack or other failure of the Company's communications and technology infrastructure and systems could have an adverse impact on the Company.

The Company relies on the secure storage, processing and transmission of electronic data and other information and technology systems, including software and hardware, for the efficient operation of its renewable energy facilities. If the Company, its communications systems or computer hardware or software are impacted by a cyber-attack or cyber-intrusion, particularly or as part of a broader attack or intrusion by third parties, including computer hackers, foreign governments and cyber terrorists, the Company's operations or capabilities could be interrupted or diminished and important information could be lost, deleted or stolen, which could have a negative impact on the Company's revenues and results of operations or which could cause the Company to incur unanticipated liabilities or costs and expenses to replace or enhance affected systems, including costs related to cyber security for the Company's renewable energy facilities.

Our use and enjoyment of real property rights for our renewable energy facilities may be adversely affected by the rights of lienholders and leaseholders that are superior to those of the grantors of those real property rights to us.

Renewable energy facilities generally are and are likely to be located on land occupied by the facility pursuant to long-term easements and leases. The ownership interests in the land subject to these easements and leases may be subject to mortgages securing loans or other liens (such as tax liens) and other easement and lease rights of third parties (such as leases of oil or mineral rights) that were created prior to the facility's easements and leases. As a result, the facility's rights under these easements or leases may be subject, and subordinate, to the rights of those third parties. We perform title searches and obtain title insurance to protect ourselves against these risks. Such measures may, however, be inadequate to protect us against all risk of loss of our rights to use the land on which our renewable energy facilities are located, which could have a material adverse effect on our business, financial condition and results of operations.

International operations subject us to political and economic uncertainties.

Our portfolio consists of renewable energy facilities located in the United States (including Puerto Rico), Canada, the United Kingdom and Chile. In addition, since solar and wind energy generation and other forms of clean energy are in the early stages of development and the industry is evolving rapidly, we could decide to expand into other international markets. As a result, our activities are and will be subject to significant political and economic uncertainties that may adversely affect our operating and financial performance. These uncertainties include, but are not limited to:

- the risk of a change in renewable power pricing policies, possibly with retroactive effect;
- political and economic instability;
- measures restricting the ability of our facilities to access the grid to deliver electricity at certain times or at all;
- the macroeconomic climate and levels of energy consumption in the countries where we have operations;
- the comparative cost of other sources of energy;
- changes in taxation policies and/or the regulatory environment in the countries in which we have operations, including reductions to renewable power incentive programs;
- the imposition of currency controls and foreign exchange rate fluctuations;
- high rates of inflation;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- changes to land use regulations and permitting requirements;
- risk of nationalization or other expropriation of private enterprises and land, including creeping regulation that reduces the value of our facilities or governmental incentives associated with renewable energy;
- difficulty in timely identifying, attracting and retaining qualified technical and other personnel;
- difficulty competing against competitors who may have greater financial resources and/or a more effective or established localized business presence;
- difficulties with, and extra-normal costs of, recruiting and retaining local individuals skilled in international business operations;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms; and
- being subject to the jurisdiction of courts other than those of the United States, which courts may be less favorable to us.

These uncertainties, many of which are beyond our control, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our international operations require us to comply with anti-corruption laws and regulations of the United States government and various non-U.S. jurisdictions.

Doing business in multiple countries requires us and our subsidiaries to comply with the laws and regulations of the United States government and various non-U.S. jurisdictions. Our failure to comply with these rules and regulations may expose us to liabilities. These laws and regulations may apply to us, our subsidiaries, individual directors, officers, employees and agents, and may restrict our operations, trade practices, investment decisions and partnering activities. In particular, our non-U.S. operations are subject to United States and foreign anti-corruption laws and regulations, such as the Foreign Corrupt Practices Act of 1977, as amended ("FCPA"). The FCPA prohibits United States companies and their officers, directors, employees and agents acting on their behalf from corruptly offering, promising, authorizing or providing anything of value to foreign officials for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA also requires companies to make and keep books, records and accounts that accurately and fairly reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. As part of our business, we deal with state-owned business enterprises, the employees and representatives of which may be considered foreign officials for purposes of the FCPA. As a result, business dealings between our employees and any such foreign official could expose the Company to the risk of violating anti-corruption laws even if such business practices may be customary or are not otherwise prohibited between the Company and a private third party. Violations of these legal requirements are punishable by criminal fines and imprisonment, civil penalties, disgorgement of profits, injunctions, debarment from government contracts as well as other remedial measures. We have established policies and procedures designed to assist us and our personnel in complying with applicable United States and non-U.S. laws and regulations; however, we cannot assure you that these policies and procedures will completely eliminate the risk of a violation of these legal requirements, and any such violation (inadvertent or otherwise) could have a material adverse effect on our business, financial condition and results of operations.

In the future, we may acquire certain assets in which we have limited control over management decisions and our interests in such assets may be subject to transfer or other related restrictions.

We have acquired, and may seek to acquire, assets in the future in which we own less than a majority of the related interests in the assets. In these investments, we will seek to exert a degree of influence with respect to the management and operation of assets in which we own less than a majority of the interests by negotiating to obtain positions on management committees or to receive certain limited governance rights, such as rights to veto significant actions. However, we may not always succeed in such negotiations, and we may be dependent on our co-venturers to operate such assets. Our co-venturers may not have the level of experience, technical expertise, human resources management and other attributes necessary to operate these assets optimally. In addition, conflicts of interest may arise in the future between us and our stockholders, on the one hand, and our co-venturers, on the other hand, where our co-venturers' business interests are inconsistent with our interests and those of our stockholders. Further, disagreements or disputes between us and our co-venturers could result in litigation, which could increase our expenses and potentially limit the time and effort our officers and directors are able to devote to our business.

The approval of co-venturers also may be required for us to receive distributions of funds from assets or to sell, pledge, transfer, assign or otherwise convey our interest in such assets. Alternatively, our co-venturers may have rights of first refusal or rights of first offer in the event of a proposed sale or transfer of our interests in such assets. These restrictions may limit the price or interest level for our interests in such assets, in the event we want to sell such interests.

We may not be able to renew our sale-leasebacks on similar terms. If we are unable to renew a sale-leaseback on acceptable terms we may be required to remove the renewable energy facility from the facility site subject to the sale-leaseback transaction or, alternatively, we may be required to purchase the renewable energy facilities from the lessor at unfavorable terms.

Provided the lessee is not in default, customary end of lease term provisions for sale-leaseback transactions obligate the lessee to (i) renew the sale-leaseback assets at fair market value, (ii) purchase the renewable energy facilities at fair market value or (iii) return the renewable energy facility to the lessor. The cost of acquiring or removing a significant number of solar energy assets could be material. Further, we may not be successful in obtaining the additional financing necessary to purchase such renewable energy facilities from the lessor. Failure to renew our sale-leaseback transactions as they expire may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Negative public or community response to renewable energy facilities could adversely affect our acquisition of new facilities and the operation of our existing facilities.

Negative public or community response to solar, wind and other renewable energy facilities, could adversely affect our ability to acquire and operate our facilities. Our experience is that such opposition subsides over time after renewable energy facilities are completed and are operating, but there are cases where opposition, disputes and even litigation continue into the operating period and could lead to curtailment of a facility or other facility modifications.

The seasonality of our operations may affect our liquidity.

We will need to maintain sufficient financial liquidity to absorb the impact of seasonal variations in energy production or other significant events. Our principal sources of liquidity are cash generated from our operating activities, the cash retained by us for working capital purposes out of the gross proceeds of financing activities as well as our borrowing capacity under our Revolver, subject to the conditions required to draw under our Revolver. Our quarterly results of operations may fluctuate significantly for various reasons, mostly related to economic incentives and weather patterns.

For instance, the amount of electricity and revenues generated by our solar generation facilities is dependent in part on the amount of sunlight, or irradiation, where the assets are located. Due to shorter daylight hours in winter months which results in less irradiation, the generation produced by these facilities will vary depending on the season. The electricity produced and revenues generated by a wind power plant depend heavily on wind conditions, which are variable and difficult to predict. Operating results for wind power plants vary significantly from period to period depending on the wind conditions during the periods in question. Additionally, to the extent more of our renewable energy facilities are located in the northern or southern hemisphere, overall generation of our entire asset portfolio could be impacted by seasonality. Further, time-of-day pricing factors vary seasonally which contributes to variability of revenues. We expect our portfolio of renewable energy facilities to generate the lowest amount of electricity during the fourth quarter. However, we expect aggregate seasonal variability to decrease if geographic diversity of our portfolio between the northern and southern hemisphere increases.

If we fail to adequately manage the fluctuations in the timing of our renewable energy facilities, our business, financial condition or results of operations could be materially affected. The seasonality of our energy production may create increased demands on our working capital reserves and borrowing capacity under our Revolver during periods where cash generated from operating activities are lower. In the event that our working capital reserves and borrowing capacity under our Revolver are insufficient to meet our financial requirements, or in the event that the restrictive covenants in our Revolver restrict our access to such facilities, we may require additional equity or debt financing to maintain our solvency. Additional equity or debt financing may not be available when required or available on commercially favorable terms or on terms that are otherwise satisfactory to us, in which event our financial condition may be materially adversely affected.

The production of wind energy depends heavily on suitable wind conditions, and the production of solar depends on irradiance, which is the amount of solar energy received at a particular site. If wind or solar conditions are unfavorable or below our estimates, our electricity production, and therefore our revenue, may be substantially below our expectations.

The electricity produced and revenues generated by a wind power plant depend heavily on wind conditions, which are variable and difficult to predict. Operating results for wind power plants vary significantly from period to period depending on the wind conditions during the periods in question. The electricity produced and revenues generated by a solar power plant depends heavily on insolation, which is the amount of solar energy received at a site. While somewhat more predictable than wind conditions, operating results for solar power plants can also vary from period to period depending on the solar conditions during the periods in question. We have based our decisions about which sites to develop in part on the findings of long-term wind, irradiance and other meteorological data and studies conducted in the proposed area, which, as applicable, measure the wind's speed and prevailing direction, the amount of solar irradiance a site is expected to receive and seasonal variations. Actual conditions at these sites, however, may not conform to the measured data in these studies and may be affected by variations in weather patterns, including any potential impact of climate change. Therefore, the electricity generated by our power plants may not meet our anticipated production levels or the rated capacity of the turbines or solar panels located there, which could adversely affect our business, financial condition and results of operations. In some quarters the wind resources at our operating wind power plants, while within the range of our long-term estimates, have varied from the averages we expected. If the wind or solar resources at a facility are below the average level we expect, our rate of return for the facility would be below our expectations and we would be adversely affected. Projections of wind resources also rely upon assumptions about turbine placement, interference between turbines and the effects of vegetation, land use and terrain, which involve uncertainty and require us to exercise considerable judgment. Projections of solar resources depend on assumptions about weather patterns (including snow), shading, and other assumptions which involve uncertainty and also require us to exercise considerable judgment. We or our consultants may make mistakes in conducting these wind, irradiance and other meteorological studies. Any of these factors could cause our sites to have less wind or solar potential than we expected, may cause us to pay more for wind and solar power plants in connection with acquisitions than we otherwise would have paid had such mistakes not been made, which could cause the return on our investment in these wind and solar power plants to be lower than expected.

If our wind and solar energy assessments turn out to be wrong, our business could suffer a number of material adverse consequences, including:

- our energy production and sales may be significantly lower than we predict;
- our hedging arrangements may be ineffective or more costly;
- we may not produce sufficient energy to meet our commitments to sell electricity or RECs and, as a result, we may have to buy electricity or RECs on the open market to cover our obligations or pay damages; and
- our wind and solar power plants may not generate sufficient cash flow to make payments of principal and interest as they become due on the notes and our non-recourse debt, and we may have difficulty obtaining financing for future wind power plants.

If we are deemed to be an investment company, we may be required to institute burdensome compliance requirements and our activities may be restricted, which may make it difficult for us to complete strategic acquisitions or affect combinations.

If we are deemed to be an investment company under the Investment Company Act of 1940 (the "Investment Company Act") our business would be subject to applicable restrictions under the Investment Company Act, which could make it impractical for us to continue our business as contemplated.

We believe our company is not an investment company under Section 3(b)(1) of the Investment Company Act because we are primarily engaged in a non-investment company business, and we intend to conduct our operations so that we will not be deemed an investment company. However, if we were to be deemed an investment company, restrictions imposed by the Investment Company Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated.

Risks Inherent in an Investment in TerraForm Power, Inc.

We may not be able to pay comparable or growing cash dividends to holders of our Class A common stock in the future.

The amount of our cash available for distribution principally depends upon the amount of cash we generate from our operations, which will fluctuate from quarter to quarter based on, among other things:

- the impact of the Merger and the Sponsorship Transaction on our business and results of operations;
- the adverse consequences of the SunEdison Bankruptcy;
- the timing of our ability to complete our Form 10-Q for the quarters ended March 31, 2017 and June 30, 2017 and audited project-level financial statements;
- defaults or potential defaults arising under our Revolver, the indentures governing our Senior Notes due 2023 and Senior Notes due 2025 and in our project-level financing agreements; and the resulting impact on our projects;
- risks related to our failure to satisfy the requirements of the NASDAQ Global Select Market, which could result in a delisting of our common stock;
- our ability to integrate acquired assets and realize the anticipated benefits of these acquired assets;
- counterparties' to our offtake agreements willingness and ability to fulfill their obligations under such agreements;
- price fluctuations, termination provisions and buyout provisions related to our offtake agreements;
- our ability to enter into contracts to sell power on acceptable terms as our offtake agreements expire;
- delays or unexpected costs during the completion of construction of certain renewable energy facilities we intend to acquire;
- our ability to successfully identify, evaluate and consummate acquisitions;
- government regulation, including compliance with regulatory and permit requirements and changes in market rules, rates, tariffs and environmental laws;
- operating and financial restrictions placed on us and our subsidiaries related to agreements governing our indebtedness and other agreements of certain of our subsidiaries and project-level subsidiaries generally and in our Revolver;
- our ability to borrow additional funds and access capital markets, as well as our substantial indebtedness and the possibility that we may incur additional indebtedness going forward;
- our ability to compete against traditional and renewable energy companies;
- hazards customary to the power production industry and power generation operations such as unusual weather conditions, catastrophic weather-related or other damage to facilities, unscheduled generation outages, maintenance or

repairs, interconnection problems or other developments, environmental incidents, or electric transmission constraints and the possibility that we may not have adequate insurance to cover losses as a result of such hazards;

- restrictions contained in our debt agreements (including our project level financing, the indentures governing our Senior Notes and our Revolver);
- our ability to expand into new business segments or new geographies;
- seasonal variations in the amount of electricity our wind and solar plants produce, and fluctuations in wind and solar resource conditions; and
- our ability to operate our businesses efficiently, manage capital expenditures and costs tightly, manage litigation, manage risks related to international operations and generate earnings and cash flow from our asset-based businesses in relation to our debt and other obligations.

As a result of all these factors, we cannot guarantee that we will have sufficient cash generated from operations to pay a specific level of cash dividends to holders of our Class A common stock. Furthermore, holders of our Class A common stock should be aware that the amount of cash available for distribution depends primarily on our cash flow, and is not solely a function of profitability, which is affected by non-cash items. We may incur other expenses or liabilities during a period that could significantly reduce or eliminate our cash available for distribution and, in turn, impair our ability to pay dividends to holders of our Class A common stock during the period. We are a holding company and our ability to pay dividends on our Class A common stock is limited by restrictions on the ability of our subsidiaries to pay dividends or make other distributions to us, including restrictions under the terms of the agreements governing project-level financing. Our project-level financing agreements prohibit distributions to us unless certain specific conditions are met, including the satisfaction of financial ratios. Our Revolver also restricts our ability to declare and pay dividends if an event of default has occurred and is continuing or if the payment of the dividend would result in an event of default.

To the extent we issue additional equity securities in connection with any acquisitions or growth capital expenditures, the payment of dividends on these additional equity securities may increase the risk that we will be unable to maintain or increase our per share dividend. There are no limitations in our amended and restated certificate of incorporation (other than a specified number of authorized shares) on our ability to issue equity securities, including securities ranking senior to our common stock. The incurrence of bank borrowings or other debt by Terra Operating, LLC or by our project-level subsidiaries to finance our growth strategy will result in increased interest expense and the imposition of additional or more restrictive covenants which, in turn, may impact the cash distributions we distribute to holders of our Class A common stock.

Terra LLC's cash available for distribution will likely fluctuate from quarter to quarter, in some cases significantly, due to seasonality or wind and solar resource conditions. As a result, we may cause Terra LLC to reduce the amount of cash it distributes to its members in a particular quarter to establish reserves to fund distributions to its members in future periods for which the cash distributions we would normally receive from Terra LLC would otherwise be insufficient to fund our quarterly dividend. If we fail to cause Terra LLC to establish sufficient reserves, we may not be able to maintain our quarterly dividend with respect to a quarter adversely affected by seasonality.

Finally, dividends to holders of our Class A common stock will be paid at the discretion of our Board. Our Board may decrease the level of or entirely discontinue payment of dividends.

We are a holding company and our only material asset is our interest in Terra LLC, and we are accordingly dependent upon distributions from Terra LLC and its subsidiaries to pay dividends and taxes and other expenses.

TerraForm Power is a holding company and has no material assets other than its ownership of membership interests in Terra LLC, a holding company that will have no material assets other than its interest in Terra Operating LLC, whose sole material assets are the renewable energy facilities that comprise our portfolio and the renewable energy facilities that we subsequently acquire. TerraForm Power, Terra LLC and Terra Operating LLC have no independent means of generating revenue. We intend to cause Terra Operating LLC's subsidiaries to make distributions to Terra Operating LLC and, in turn, make distributions to Terra LLC, and, Terra LLC, in turn, to make distributions to TerraForm Power in an amount sufficient to cover all applicable taxes payable and dividends, if any, declared by us. To the extent that we need funds to pay a quarterly cash dividend to holders of our Class A common stock or otherwise, and Terra Operating LLC or Terra LLC is restricted from making such distributions under applicable law or regulation or is otherwise unable to provide such funds (including as a result of Terra Operating LLC's operating subsidiaries being unable to make distributions, such as due to defaults in project-level financing agreements), it could materially adversely affect our liquidity and financial condition and limit our ability to pay dividends to holders of our Class A common stock.

Market interest rates may have an effect on the value of our Class A common stock.

One of the factors that influences the price of shares of our Class A common stock will be the effective dividend yield of such shares (i.e., the yield as a percentage of the then market price of our shares) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of shares of our Class A common stock to expect a higher dividend yield. If market interest rates increase and we are unable to increase our dividend in response, including due to an increase in borrowing costs, insufficient cash available for distribution or otherwise, investors may seek alternative investments with higher yield, which would result in selling pressure on, and a decrease in the market price of, our Class A common stock. As a result, the price of our Class A common stock may decrease as market interest rates increase.

The market price and marketability of our shares may from time to time be significantly affected by numerous factors beyond our control, which may adversely affect our ability to raise capital through future equity financings.

The market price of our shares may fluctuate significantly. Many factors may significantly affect the market price and marketability of our shares and may adversely affect our ability to raise capital through equity financings and otherwise materially adversely impact our business. These factors include, but are not limited to, the following:

- price and volume fluctuations in the stock markets generally;
- significant volatility in the market price and trading volume of securities of registered investment companies, business development companies or companies in our sectors, which may not be related to the operating performance of these companies;
- changes in our earnings or variations in operating results;
- changes in regulatory policies or tax law;
- operating performance of companies comparable to us; and
- loss of funding sources or the ability to finance or refinance our obligations as they come due.

Certain of our shareholders have accumulated large concentrations of holdings of our Class A shares.

Certain of our shareholders, including entities affiliated with Brookfield and Appaloosa Investment Limited Partnership I, have accumulated large positions in our Class A shares. These concentrated holdings may impact the liquidity of shares of our Class A shares and these entities may possess the ability to significantly impact the outcome of the requisite majority of the minority approval in connection with the Merger and the Sponsorship Transaction with Brookfield and its affiliates. While the Board has adopted a Stockholder Protection Rights Agreement which limits the ability of our shareholders to accumulate additional holdings of our Class A shares in certain circumstances, these concentrated holdings may impact our execution of strategic alternatives in the event that we are unable to consummate the Merger and the Sponsorship Transaction, including any shareholder vote we are required or elect to obtain in connection with any strategic alternative. Additionally, the interests of these shareholders may conflict with our interests and the interests of holders of our Class A common stock to the extent these shareholders are also creditors in the SunEdison Bankruptcy.

Provisions of our charter documents or Delaware law could delay or prevent an acquisition of us, even if the acquisition would be beneficial to holders of our Class A common stock, and could make it more difficult for investors to change management.

In the event that we are unable to consummate the Merger and the Sponsorship Transaction, provisions of our amended and restated certificate of incorporation and bylaws may discourage, delay or prevent a merger, acquisition or other change in control that holders of our Class A common stock may consider favorable, including transactions in which such stockholders might otherwise receive a premium for their shares. This is because these provisions may prevent or frustrate attempts by stockholders to replace or remove members of our management. These provisions include:

- a prohibition on stockholder action through written consent once SunEdison ceases to hold a majority of the combined voting power of our common stock;
- a requirement that special meetings of stockholders be called upon a resolution approved by a majority of our directors then in office;
- the right of SunEdison as the holder of our Class B common stock, to appoint up to two additional directors to our Board;
- advance notice requirements for stockholder proposals and nominations; and
- the authority of the Board to issue preferred stock with such terms as the Board may determine.

Section 203 of the Delaware General Corporation Law, prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder (generally a person that together with its affiliates owns or within the last three years has owned 15% of voting stock), for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. As a result of these provisions in our charter documents and Delaware law, the price investors may be willing to pay in the future for shares of our Class A common stock may be limited.

Additionally, in order to ensure compliance with Section 203 of the FPA, our amended and restated certificate of incorporation prohibits any person from acquiring, without prior FERC authorization or the written consent of our Board, in purchases other than secondary market transactions (i) an amount of our Class A or Class B1 common stock that, after giving effect to such acquisition, would allow such purchaser together with its affiliates (as understood for purposes of FPA Section 203) to exercise 10% or more of the total voting power of the outstanding shares of our Class A, Class B and Class B1 common stock in the aggregate, or (ii) an amount of our Class A common stock or Class B1 common stock as otherwise determined by our Board sufficient to allow such purchaser together with its affiliates to exercise control over our company. Any acquisition of our Class A common stock or Class B1 common stock in violation of this prohibition shall not be effective to transfer record, beneficial, legal or any other ownership of such common stock, and the transferee shall not be entitled to any rights as a stockholder with respect to such common stock (including, without limitation, the right to vote or to receive dividends with respect thereto). Any acquisition of 10% or greater voting power or a change of control with respect to us or any of our solar and wind generation project companies could require prior authorization from FERC under Section 203 the FPA. Furthermore, a “holding company” (as defined in PUHCA) and its “affiliates” (as defined in PUHCA) may be subject to restrictions on the acquisition of our Class A common stock or Class B1 common stock in secondary market transactions to which other acquirers are not subject. A purchaser of our securities which is a “holding company” or an “affiliate” or “associate company” of such a “holding company” (as defined in PUHCA) should seek their own legal counsel to determine whether a given purchase of our securities may require prior FERC approval.

Investors may experience dilution of their ownership interest due to the future issuance of additional shares of our Class A common stock.

We are in a capital intensive business, and may not have sufficient funds to finance the growth of our business, future acquisitions or to support our projected capital expenditures. As a result, we have engaged in, and may require additional funds from further, equity or debt financings, including tax equity financing transactions or sales of preferred shares or convertible debt to complete future acquisitions, expansions and capital expenditures and pay the general and administrative costs of our business. In the future, we may issue our previously authorized and unissued securities, resulting in the dilution of the ownership interests of purchasers of our Class A common stock offered hereby. Under our amended and restated certificate of incorporation, we are authorized to issue 850,000,000 shares of Class A common stock, 140,000,000 shares of Class B common stock, 260,000,000 shares of Class B1 common stock and 50,000,000 shares of preferred stock with preferences and rights as determined by our Board. The potential issuance of additional shares of common stock or preferred stock or convertible debt may create downward pressure on the trading price of our Class A common stock. We may also issue additional shares of our Class A common stock or other securities that are convertible into or exercisable for our Class A common stock in future public offerings or private placements for capital raising purposes or for other business purposes, potentially at an offering price, conversion price or exercise price that is below the trading price of our Class A common stock.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our Class A common stock adversely, the stock price and trading volume of our Class A common stock could decline.

The trading market for our Class A common stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. If any of the analysts who may cover us change their recommendation regarding our Class A common stock adversely, or provide more favorable relative recommendations about our competitors, the price of our Class A common stock would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the stock price or trading volume of our Class A common stock to decline.

Future sales of our common stock or disposals or transfers by SunEdison and Brookfield of Class A common stock, may cause the price of our Class A common stock to fall.

The market price of our Class A common stock could decline as a result of sales by investors, who hold restricted shares, into the market, or the perception that these sales could occur. Certain investors in our Class A common stock hold restricted shares due to securities law restrictions and/or contractual restrictions. These holders have exercised certain registration rights with respect to the shares that we hold and would be able to sell these shares into the market once any contractual restrictions on such shares expire. The presence of additional shares of our Class A common stock trading in the public market may have a material adverse effect on the market price of our securities. The market price of our Class A common stock may also decline as a result of SunEdison disposing or transferring some or all of the outstanding Class A common stock it will own following the consummation of the Sponsorship Transaction. These dispositions might also make it more difficult for us to sell equity securities at a time and price that we deem appropriate.

Risks Related to Taxation

Tax provisions and policies supporting renewable energy could change at any time, and such changes may result in a material increase in our estimated future income tax liability and may limit the current benefits of solar and wind energy investment.

We face risks related to potential changes in tax laws that may limit the current benefits of solar and wind energy investment. Renewable energy facilities currently benefit from, or are affected by, various federal, state and local governmental incentives and regulatory policies. As discussed in "Government Incentives" within *Item 1. Business*, government incentives provide significant support for renewable energy sources such as solar and wind energy, and a decrease in these tax benefits could increase the costs of investment in solar and wind energy. For example, in 2013 the Czech Republic and Spain announced retroactive taxes for solar energy producers. If these types of changes are enacted in other countries as well, the costs of solar energy may increase.

In the United States, these policies include federal ITCs, PTCs, and trade import tariff policies, as well as state RPS and IRP programs, state and local sales and property taxes, siting policies, grid access policies, rate design, net energy metering, and modified accelerated cost-recovery system of depreciation. For example, the IRS Code provides an ITC of 30% of the cost-basis of an eligible resource, including solar generation facilities having commenced construction prior to the end of 2019, for which the percentage is currently scheduled to gradually be reduced to 10% for solar generation facilities commencing construction before December 31, 2022 with permanence thereafter. The U.S. Congress could reduce the ITC to below 30% prior to the end of 2019, reduce the ITC to below 10% for periods after 2022 or replace the expected 10% ITC with an untested production tax credit of an unknown amount. PTCs, which are federal income tax credits related to the quantity of renewable energy produced and sold during a taxable year, or ITCs in lieu of PTCs, are available only for wind power plants that began construction on or prior to December 31, 2019. The Wind PTC and ITC are extended to 2019 but reduced 20% in 2017, 40% in 2018, and 60% in 2019 before expiring in 2020. PTCs and accelerated tax depreciation benefits generated by operating renewable energy facilities can be monetized by entering into tax equity financing agreements with investors that can utilize the tax benefits, which have been a key financing tool for wind power plants.

The growth of our wind energy business may be dependent on the U.S. Congress further extending the expiration date of, renewing or replacing wind ITC and PTCs, without which the market for tax equity financing for wind power plants would likely cease to exist. Congress could decide to overturn the new ITC and PTC decisions in future years, which would materially affect our business. Additionally, we may be required to repay a Section 1603 Grant, with interest, if the U.S. Treasury were to successfully challenge a solar generation facility and wind power plant for which such a Section 1603 Grant has been made as not complying with the requirements of Section 1603.

Any reduction in our ITCs, PTCs or depreciation deductions as a result of a change in law, or any elimination or modification of the accelerated tax depreciation schedule, may result in a material increase in our estimated future income tax liability and may negatively impact our business, financial condition and results of operations. Additionally, in prior years we received grant payments for specified energy property from the U.S. Department of the Treasury in lieu of tax credits pursuant to Section 1603 Grant. As a condition to claiming these Section 1603 Grants, we are required to maintain compliance with the terms of the Section 1603 program for a period of five years beginning on the date the eligible solar and wind energy facility was placed in service. Failure to maintain compliance with the requirements of Section 1603 could result in recapture of all or a part of the amounts received under a Section 1603 Grant, plus interest.

In addition, the IRS or the Treasury Department, as applicable, may also challenge eligible tax basis in the relevant renewable energy property that was used to determine the amount of ITC, Section 1603 Grant or accelerated depreciation deductions claimed or applied for, as applicable, by subsidiaries of the Company or our tax equity partners with respect to our renewable energy projects. In some situations where SunEdison or other third parties made representations with regard to the fair market value or eligible basis of a renewable energy facility, the cash flows of that facility that would otherwise be distributed to our subsidiaries may be diverted to cover losses sustained by our tax equity financing parties in the event the ITC, Section 1603 Cash Grant or accelerated depreciation deductions, as applicable, are recaptured, reduced or disallowed by the IRS or Treasury Department, as applicable. In other situations, we may be directly responsible for making such tax indemnity payments. In addition, we have provided guarantees to our tax investors and other financing parties related to the recapture of these tax benefits as a result of transfers of our interests in our renewable energy projects to non-U.S. federal income tax payers who qualify as "disqualified persons" under Section 1603 Grant rules and provisions of the Internal Revenue Code. While such transfers are generally within our control, and we would seek to avoid such transfers, there is some risk that we inadvertently structure a sale of our interests in our facilities in a way that results in such a transfer. Moreover, this risk could arise in connection with the sale or transfer of the B units in Terra LLC in connection with the SunEdison Bankruptcy or any potential transaction that we undertake if the Merger failed to close.

Congress and the Trump Administration have also expressed substantial interest in reducing corporate tax rates and making other changes to the Internal Revenue Code, including, among other potential proposals, permitting the immediate expensing of capital expenditures and no longer allowing the deduction of interest expense on indebtedness. These tax law changes may have an economic impact on our existing portfolio of renewable energy facilities. To date, however, no legislation has been passed by either the U.S. House of Representatives or the U.S. Senate, and so it is difficult to predict with any certainty whether these changes will have a positive or negative impact on our business, financial condition or results of operations as it relates to our existing portfolio. In light of this uncertainty, we cannot give any assurances that the combined impact of these changes will not have a negative impact on our business, financial condition or results of operations. Moreover, any reduction in the corporate tax rates would be expected to reduce the value of certain of the tax benefits currently available for renewable energy facilities. Assuming those benefits are not also changed, the reduction of corporate tax rates may, all other things being equal, reduce the amount of new renewable energy generation that is constructed, which may increase competition to acquire the facilities that are completed.

Changes in foreign withholding taxes could adversely affect our results of operations.

We conduct a portion of our operations in Canada, the United Kingdom and Chile, and may in the future expand our business into other foreign countries. We are subject to risks that foreign countries may impose additional withholding taxes or otherwise tax our foreign income. Currently, distributions of earnings and other payments, including interest, to us from our foreign facilities could constitute ordinary dividend income taxable to the extent of our earnings and profits, which may be subject to withholding taxes imposed by the jurisdiction in which such entities are formed or operating. Any such withholding taxes will reduce the amount of after-tax cash we can receive. If those withholding taxes are increased, the amount of after-tax cash we receive will be further reduced.

Our future tax liability may be greater than expected if we do not generate Net Operating Losses, or "NOLs," sufficient to offset taxable income.

We expect to generate NOLs and NOL carryforwards that we can utilize to offset future taxable income. Based on our portfolio of assets that we expect will benefit from an accelerated tax depreciation schedule, and subject to tax obligations resulting from potential tax audits, we do not expect to pay significant United States federal income tax in the near term. However, in the event these losses are not generated as expected (including if our accelerated tax depreciation schedule for our eligible renewable energy facilities is eliminated or adversely modified), are successfully challenged by the IRS (in a tax audit or otherwise), or are subject to future limitations as a result of an "ownership change" as discussed below, our ability to realize these future tax benefits may be limited. Any such reduction, limitation, or challenge may result in a material increase in our estimated future income tax liabilities and may negatively impact our business, financial condition and operating results.

Our ability to use NOLs to offset future income may be limited.

Our ability to use existing NOL carryforwards and NOLs generated in the future could be substantially limited if we were to experience an "ownership change" as defined under Section 382 of the Internal Revenue Code. In general, an ownership change occurs if the aggregate stock ownership of certain stockholders (generally 5% stockholders, applying certain look-through and aggregation rules) increases by more than 50% over such stockholders' lowest percentage ownership over a rolling three-year period. If a corporation experiences an ownership change, its ability to use its pre-change NOL carryforwards and other pre-change deferred tax attributes to offset its post-change income and taxes may be limited. Future sales of our Class B common stock by SunEdison, as well as future issuances by us or trades of stock amount our other 5% stockholders, could contribute to a potential ownership change. During 2015, we believe that an ownership change occurred at a point when the trading price of our stock was at a level that would not impact the ability to use our tax attributes. During 2016, we believe a second ownership change occurred when the stock price had lowered. Our initial analysis suggests that the limitation under the Section 382 rules, including the associated built-in gain rules, would not limit our ability to utilize our tax attributes at the time of the change. Should another ownership change occur in the future, it is possible that we may be in a position such that the ability to utilize tax attributes could be limited due to the incremental NOL generated in 2016. Additional ownership changes may occur as a result of shareholder activity and/or in connection with the closing of the Merger.

A valuation allowance may be required for our deferred tax assets.

Our expected NOLs will be reflected as a deferred tax asset as they are generated until used to offset income. Valuation allowances may need to be maintained for deferred tax assets that we estimate are more likely than not to be unrealizable, based on available evidence at the time the estimate is made. Valuation allowances related to deferred tax assets can be affected by changes to tax laws, statutory tax rates and future taxable income levels and based on input from our auditors, tax advisers or regulatory authorities. In the event that we were to determine that we would not be able to realize all or a portion of our net deferred tax assets in the future, we would reduce such amounts through a charge to income tax expense in the period in which that determination was made, which could have a material adverse impact on our financial condition and results of operations and our ability to maintain profitability.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our current portfolio consists of distributed generation solar facilities and utility-scale power plants that are located in the United States (including Puerto Rico), Canada, Chile and the United Kingdom with a combined nameplate capacity of 2,606.7 MW as of June 30, 2017. We typically finance our assets through project specific debt secured by the renewable energy facility's assets (mainly the renewable energy facility) or equity interests in such renewable energy facilities with no recourse to Terra LLC or Terra Operating LLC. See the table of our properties in *Item 1. Business - Our Portfolio.*

Distributed generation solar facilities

Distributed generation facilities provide customers with an alternative to traditional utility energy suppliers. Distributed resources are typically smaller in unit size and can be installed at a customer’s site, removing the need for lengthy transmission and distribution lines. By bypassing the traditional utility suppliers, distributed energy systems delink the customer’s price of power from external factors such as volatile commodity prices, costs of the incumbent energy supplier and some transmission and distribution charges. This makes it possible for distributed energy purchasers to buy energy at a predictable and stable price over a long period of time.

The PPAs for certain of our distributed generation solar facilities located in the United States allow the offtake purchaser to elect to purchase the facility from us at a price equal to the greater of a specified amount in the PPA or fair market value. In addition, certain of our PPAs allow the offtake purchaser to terminate the PPA if we do not meet certain prescribed operating thresholds or performance measures or otherwise by the payment of an early termination fee, which would require us to remove the renewable energy facility from the offtaker’s site. These operating thresholds and performance measures are readily achievable in the normal operation of the renewable energy facilities.

Utility-scale power plants

Our utility-scale solar generation facilities and wind facilities are power plants where either the purchaser of the electricity is an electric utility entity or where power is delivered directly to the grid.

Item 3. Legal Proceedings.

See Note 19 to our consolidated financial statements included in this Annual Report on Form 10-K for disclosures concerning our legal proceedings, which disclosures are incorporated herein by reference.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Class A Common Stock

The Company's Class A common stock began trading on the NASDAQ Global Select Market under the symbol “TERP” on July 18, 2014. Prior to that, there was no public market for our Class A common stock. The Company's Class B common stock is not publicly traded.

As of June 30, 2017, there were 25 holders of record of the Company’s Class A common stock and two holders of record of the Company’s Class B common stock and the closing sale price per share of our Class A common stock on the NASDAQ Global Select Market was $12.00.

The table below sets forth, for the periods indicated, the high and low sale prices per share of our Class A common stock on the NASDAQ Global Select Market for the periods indicated below:

	High	Low
July 18, 2014 to September 30, 2014	$ 33.65	$ 28.53
Quarter ended December 31, 2014	33.64	22.83
Quarter ended March 31, 2015	36.51	29.01
Quarter ended June 30, 2015	42.15	36.34
Quarter ended September 30, 2015	39.61	14.16
Quarter ended December 31, 2015	20.01	6.90
Quarter ended March 31, 2016	12.61	7.64
Quarter ended June 30, 2016	11.00	7.44
Quarter ended September 30, 2016	14.59	10.94
Quarter ended December 31, 2016	14.38	11.40

Dividends

On October 27, 2014, the Company declared a quarterly dividend of $0.1717 per share on the Company's Class A common stock, which was paid on December 15, 2014 to holders of record on December 1, 2014. This amount represented a quarterly dividend of $0.2257 per share, or $0.9028 per share on an annualized basis, prorated to adjust for a partial quarter as the Company consummated its IPO on July 23, 2014.

On December 22, 2014, the Company declared a quarterly dividend for the fourth quarter of 2014 on the Company's Class A common stock of $0.27 per share, or $1.08 per share on an annualized basis. The fourth quarter dividend was paid on March 16, 2015 to shareholders of record as of March 2, 2015.

On May 7, 2015, the Company declared a quarterly dividend for the first quarter of 2015 on the Company's Class A common stock of $0.325 per share, or $1.30 per share on an annualized basis. The first quarter dividend was paid on June 15, 2015 to shareholders of record as of June 1, 2015.

On August 6, 2015, the Company declared a quarterly dividend for the second quarter of 2015 on the Company's Class A common stock of $0.335 per share, or $1.34 per share on an annualized basis. The second quarter dividend was paid on September 15, 2015 to shareholders of record as of September 1, 2015.

On November 9, 2015, the Company declared a quarterly dividend for the third quarter of 2015 on the Company's Class A common stock of $0.35 per share, or $1.40 per share on an annualized basis. The third quarter dividend was paid on December 15, 2015 to shareholders of record as of December 1, 2015.

TerraForm Power has not declared or paid a dividend since the quarterly dividend for the third quarter of 2015. As a result of the SunEdison Bankruptcy, the limitations on the Company's ability to access the capital markets for its corporate debt and equity securities and other risks that the Company faced as detailed in this report, the Company's management believed it was prudent to defer any decisions on paying dividends to its shareholders.

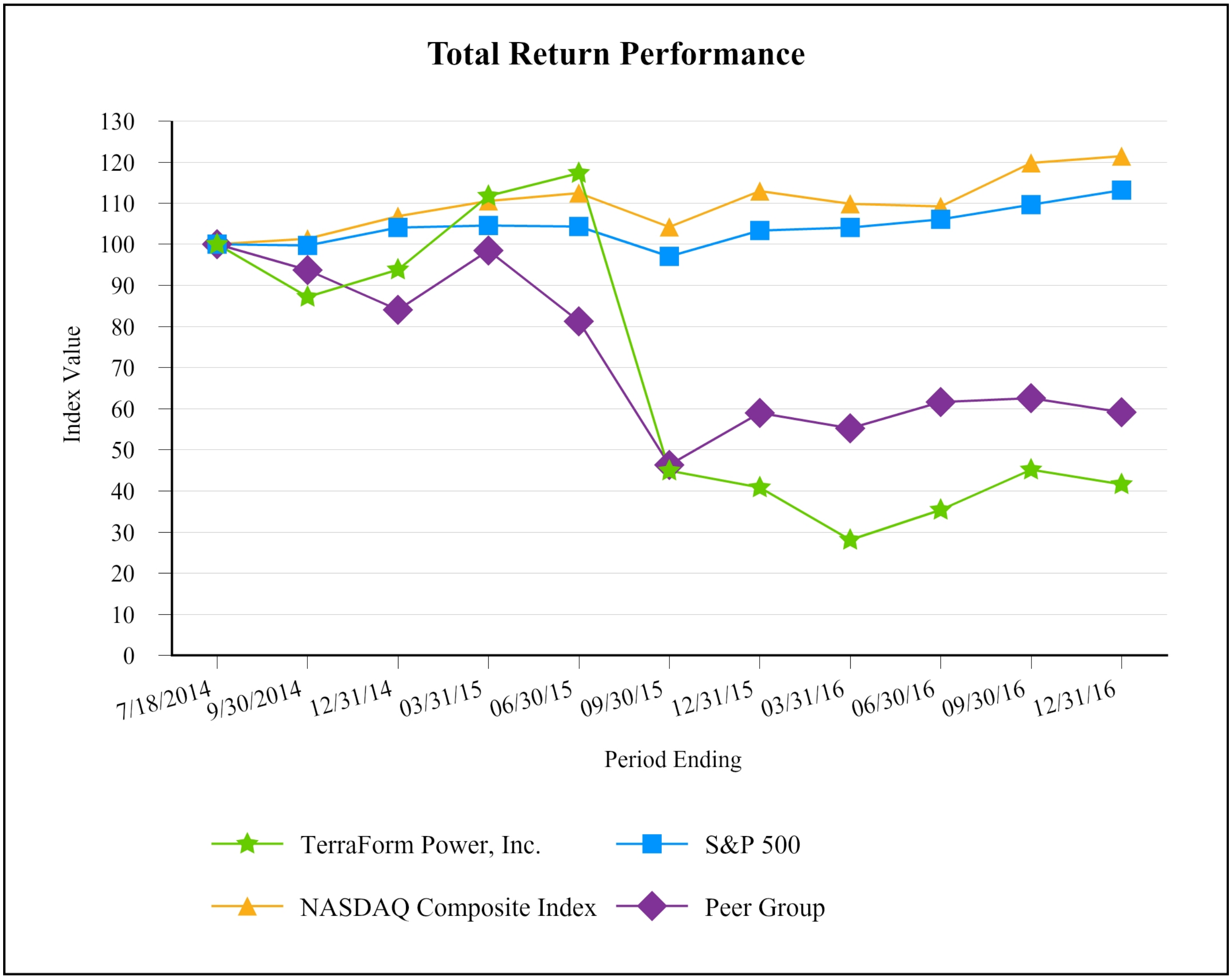
Stock Performance Graph

This performance graph below shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities under that section, and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

The performance graph below compares the Company's cumulative total stockholder return on the Company's Class A common stock from July 18, 2014 through December 31, 2016, with the cumulative total return of the Standard & Poor's 500 Composite Price Index, or the "S&P 500," the NASDAQ Composite Index, as well as our peer group consisting of Atlantica Yield PLC; NextEra Energy Partners, LP; NRG Yield, Inc.; Pattern Energy Group Inc; and 8point3 Energy Partners LP.

The performance graph below compares each period assuming that $100 was invested on the initial public offering date in each of the Class A common stock of the Company, the stocks in the S&P 500, the NASDAQ Composite Index, our peer group, and that all dividends were reinvested.

Comparison of Cumulative Total Return



Stock	July 18, 2014	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
TerraForm Power, Inc.	$ 100.00	$ 87.22	$ 93.85	$ 111.78	$ 117.28	$ 44.94	$ 40.86	$ 28.10	$ 35.41	$ 45.19	$ 41.62
S&P 500	100.00	99.70	104.08	104.54	104.30	97.06	103.32	104.12	106.10	109.61	113.17
NASDAQ Composite Index	100.00	101.38	106.85	110.57	112.50	104.23	112.96	109.85	109.23	119.81	121.42
Peer Group	100.00	93.75	84.09	98.49	81.29	46.36	58.98	55.25	61.63	62.59	59.15

Item 6. Selected Financial Data.

The Company's historical selected financial data is presented in the following table. For all periods prior to the IPO, the amounts shown in the table below represent the combination of TerraForm Power and Terra LLC, the accounting predecessor, and were prepared using SunEdison's historical basis in assets and liabilities. For all periods subsequent to the IPO, the amounts shown in the table below represent the results of TerraForm Power, which consolidates Terra LLC through its controlling interest. This historical data should be read in conjunction with the Consolidated Financial Statements and the related notes thereto in *Item 15. Exhibits, Financial Statements and Schedules.*

Our consolidated financial statements were prepared assuming we would continue as a going concern (which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business). Our ability to continue as a going concern is dependent on many factors, including among other things, the resolution of the SunEdison Bankruptcy absent claims from interested parties that the assets and liabilities of the Company be substantively consolidated with SunEdison and that the Company and/or its assets and liabilities be included in the SunEdison Bankruptcy as well as our ability to comply with or modify our existing debt covenant requirements. Management's plans with respect to these conditions are further described in Note 1 to our consolidated financial statements included in this annual report on Form 10-K. The following Selected Financial Data taken from our accompanying financial statements have been prepared assuming that we will continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

	Year Ended December 31,				
(in thousands, except per share data)	**2016**	**2015**	**2014**	**2013**	**2012**
Statement of Operations Data:					
Operating revenues, net	$ 654,556	$ 469,506	$ 127,156	$ 18,716	$ 16,992
Operating costs and expenses:					
Cost of operations	113,302	70,468	10,630	1,112	917
Cost of operations - affiliate	26,683	19,915	8,063	1,068	834
General and administrative expenses	89,995	55,811	20,984	289	177
General and administrative expenses - affiliate	14,666	55,330	19,144	5,158	4,425
Acquisition and related costs	2,743	49,932	10,177	—	—
Acquisition and related costs - affiliate	—	5,846	5,049	—	—
Loss on prepaid warranty - affiliate	—	45,380	—	—	—
Goodwill impairment	55,874	—	—	—	—
Impairment of renewable energy facilities	18,951	—	—	—	—
Depreciation, accretion and amortization expense	243,365	161,310	41,280	5,731	5,034
Formation and offering related fees and expenses	—	—	3,570	—	—
Formation and offering related fees and expenses - affiliate	—	—	1,870	—	—
Total operating costs and expenses	565,579	463,992	120,767	13,358	11,387
Operating income	88,977	5,514	6,389	5,358	5,605
Other expenses (income):					
Interest expense, net	310,336	167,805	86,191	8,129	7,665
Loss (gain) on extinguishment of debt, net	1,079	16,156	(7,635)	—	—
Loss (gain) on foreign currency exchange, net	13,021	19,488	14,007	(771)	—
Loss on investments and receivables - affiliate	3,336	16,079	—	—	—
Other expenses, net	2,218	7,362	438	—	—
Total other expenses, net	329,990	226,890	93,001	7,358	7,665
Loss before income tax expense (benefit)	(241,013)	(221,376)	(86,612)	(2,000)	(2,060)
Income tax expense (benefit)	494	(13,241)	(4,689)	(88)	(1,270)
Net loss	$ (241,507)	$ (208,135)	$ (81,923)	$ (1,912)	$ (790)
Net loss attributable to Class A common stockholders	$ (129,847)	$ (79,886)	$ (25,617)	N/A	N/A
Basic and diluted loss per Class A common share	(1.47)	(1.25)	(0.87)	N/A	N/A
Dividends declared per Class A common share	—	1.01	0.44	N/A	N/A

(in thousands, except per share data)	Year Ended December 31, 2016	2015	2014	2013	2012
Cash Flow Data:					
Net cash provided by (used in):					
Operating activities	$ 191,809	$ 124,260	$ 84,227	$ (7,852)	$ 2,890
Investing activities	(63,705)	(3,202,323)	(1,799,636)	(269,238)	(410)
Financing activities	(187,194)	3,238,505	2,183,091	278,131	(2,477)

(in thousands)	As of December 31, 2016	2015	2014	2013	2012
Balance Sheet Data (at period end):					
Cash and cash equivalents	$ 565,333	$ 626,595	$ 468,554	$ 1,044	$ 3
Restricted cash	117,504	159,904	81,000	69,722	8,828
Renewable energy facilities, net	4,993,251	5,834,234	2,648,212	433,019	111,697
Long-term debt and financing lease obligations	3,950,914	4,562,649	1,699,765	441,650	75,498
Capital lease obligations	—	—	—	29,171	30,974
Total assets	7,705,865	8,217,409	3,680,423	593,327	158,955
Total liabilities	4,807,499	5,101,429	2,140,164	577,875	128,926
Redeemable non-controlling interests	180,367	175,711	24,338	—	—
Total stockholders' equity	2,717,999	2,940,269	1,515,921	15,452	30,029

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with our audited consolidated financial statements and notes thereto contained herein. The results shown herein are not necessarily indicative of the results to be expected in any future periods. Unless otherwise indicated or otherwise required by the context, references in this section to "we," "our," "us," or the "Company" refer to TerraForm Power, Inc. and its consolidated subsidiaries.

Overview

Our primary business strategy is to own and operate a portfolio of renewable energy assets and to pay cash dividends to our stockholders. We intend to grow our portfolio over time through acquisitions in order to increase the cash dividends we pay to our stockholders.

We have acquired a portfolio of long-term contracted clean power generation assets from SunEdison and unaffiliated third parties that have proven technologies, creditworthy counterparties, low operating risks and stable cash flows. We have focused on the solar and wind energy segments because we believe they are currently the fastest growing segments of the clean energy industry. Solar and wind assets are also attractive because there is no associated fuel cost risk, the technologies have become highly reliable and assets generally have an estimated expected life of 20 to 30 years.

On April 21, 2016, SunEdison Inc. and certain of its domestic and international subsidiaries voluntarily filed for protection under Chapter 11 of the U.S. Bankruptcy Code. In anticipation of and in response to SunEdison's financial and operating difficulties, which culminated in the SunEdison Bankruptcy, at the direction of our Board, we have undertaken, and continue to undertake, a number of strategic initiatives to mitigate the adverse impacts of the SunEdison Bankruptcy on the Company. These initiatives focused on governance, operations and business performance initiatives deemed especially critical because SunEdison provided all personnel and services to the Company (other than those operational services provided by third parties). These initiatives include, among other things, developing continuity plans, establishing stand-alone information technology, accounting and other systems and infrastructure, directly hiring employees and self-performing or retaining backup or replacement service providers for the operation and maintenance and asset management of our wind and solar facilities.

As part of this overall strategic review process, we also initiated a process for the exploration and evaluation of potential strategic alternatives for the Company, including potential transactions to secure a new sponsor or sell the Company.

As more fully described in *Item 1. Business - Recent Developments*, on March 6, 2017, this process resulted in our entry into the Merger Agreement and the Sponsorship Transaction with Brookfield and certain of its affiliates and our entry into the Settlement Agreement and the Voting and Support Agreement with SunEdison and the SunEdison Debtors.

We continue to focus on these strategic initiatives and other near-term plans and priorities in order to better position the Company to return to its focus on growing its solar and wind portfolio and to pay and increase the cash dividends it pays to its shareholders. These initiatives, plans and priorities include:

- focusing on the performance and efficiency of our existing portfolio of renewable energy facilities;
- focusing on satisfying conditions to the effectiveness of the Merger Agreement and the Settlement Agreement to effectuate the transactions contemplated by the Merger Agreement and the Sponsorship Transaction;
- mitigating, to the extent possible, the adverse impacts resulting from the SunEdison Bankruptcy, including ensuring the continuity of operation, maintenance and asset management of our renewable energy facilities by self-performing those activities or engaging third party providers;
- creating a separate stand-alone corporate organization, including, among other things, directly hiring employees and establishing our own accounting, information technology, human resources and other systems and infrastructure;
- working with project-level lenders and financing parties to cure, or obtain waivers or forbearance of, defaults that have arisen under most of our project-level debt financings as a result of the SunEdison Bankruptcy and delays in delivering corporate and project-level audited financial statements, among other things; and
- seeking to optimize our portfolio and capital structure by reducing corporate-level indebtedness, financing or refinancing certain renewable energy facilities at the project level, exiting certain markets or selling certain assets if we believe the opportunity would improve stockholder value.

While we remain focused on executing our near-term objectives, we also continue to pursue our long-term business strategy, which is to own, operate and grow our portfolio with assets that have proven technologies, creditworthy counterparties, lower operating risks and stable cash flows in markets with attractive long-term power pricing dynamics and predictable regulatory environments.

Factors that Significantly Affect our Results of Operations and Business

We expect the following factors will affect our results of operations:

Our relationship with SunEdison and the SunEdison Bankruptcy

Throughout 2016, we have been working to transition away from our historical reliance on SunEdison for operational, systems and staffing support, among other things, as part of a strategic initiative to mitigate the adverse effects of the SunEdison Bankruptcy. While we have made significant progress in this area, we continue to rely on SunEdison for certain remaining services including systems and information technology infrastructure and the operation, maintenance and asset management of most of our power plants.

The Company is not a part of the SunEdison Bankruptcy and has no plans to file for bankruptcy itself. The Company no longer relies on SunEdison for funding or liquidity and believes that it will have sufficient liquidity to support its ongoing operations. We believe that the equity interests of the Company in its renewable energy facilities that are legally owned by the Company's subsidiaries are not available to satisfy the claims of the creditors of the SunEdison Bankruptcy.

In anticipation of and in response to SunEdison's financial and operating difficulties, which culminated in the SunEdison Bankruptcy, at the direction of our Board, we have undertaken, and continue to undertake, a number of strategic initiatives to mitigate the adverse impacts of the SunEdison Bankruptcy on the Company. These initiatives focused on governance, operations and business performance initiatives deemed especially critical because SunEdison provided all personnel and services to the Company (other than those operational services provided by third parties). These initiatives include, among other things, developing continuity plans, establishing stand-alone information technology, accounting and other systems and infrastructure, directly hiring employees and retaining backup or replacement O&M and asset management services for our wind and solar facilities from other providers.

During the SunEdison Bankruptcy, SunEdison has not performed substantially as obligated under its agreements with us, including under the sponsorship arrangement consisting of various corporate-level agreements put in place at the time of the Company's IPO and certain O&M and asset management arrangements. As part of our strategic initiatives we have worked to mitigate these adverse impacts and expect to be able to continue to operate our business as a separate stand-alone organization.

While this work is ongoing, we have made significant progress as part of these strategic initiatives to, among other things, establish stand-alone information technology, accounting and other systems and infrastructure, directly hiring our employees and retaining backup O&M and asset management services for our wind and solar facilities that we may elect to make our prime providers or making plans to self-perform these services. Our business will be negatively impacted to the extent we are unsuccessful in implementing the remaining parts of these plans or the resulting ongoing long-term costs are higher than the costs we were expecting to incur with SunEdison as our sponsor.

As part of our strategic review process, we also initiated a process for the exploration and evaluation of potential strategic alternatives, which culminated in our entry into the Merger Agreement and the Sponsorship Transaction with Brookfield and its affiliates and the Settlement Agreement and the Voting and Support Agreement with SunEdison. These transactions are subject to conditions, some of which are out of our control. We continue to remain focused on these strategic initiatives and other near term priorities. However, until we have resolved our relationship with SunEdison and consummated the Merger, we continue to experience increased uncertainty, which has heightened some of the risks naturally inherent in our business, including the conditions in the capital markets for our corporate-level debt and equity securities. Other aspects of the markets relevant to our business have remained relatively stable, including the expected performance of our renewable energy facilities, long-term offtake agreements, and the credit quality of our offtakers.

Offtake contracts

Our revenue is primarily a function of the volume of electricity generated and sold by our renewable energy facilities as well as, to a lesser extent, where applicable, the sale of green energy certificates and other environmental attributes related to energy generation. Our current portfolio of renewable energy facilities are generally contracted under long-term PPAs with creditworthy counterparties. As of December 31, 2016, the weighted average remaining life of our PPAs was 15 years. Pricing of the electricity sold under these PPAs is generally fixed for the duration of the contract, although certain of our PPAs have price escalators based on an index (such as the consumer price index) or other rates specified in the applicable PPA.

The Company also generates RECs as it produces electricity. RECs are accounted for as governmental incentives and are not considered output of the underlying renewable energy facilities. These RECs are currently sold pursuant to agreements with third parties, SunEdison and a certain debt holder, and REC revenue is recognized as the underlying electricity is generated if the sale has been contracted with the customer. Under the terms of certain debt agreements with a creditor, SRECs are transferred directly to the creditor to reduce principal and interest payments due under solar program loans. Additionally, we have contractual agreements with SunEdison for the sale of 100% of the SRECs generated by certain systems included in our initial portfolio.

To date, we have not identified any significant power purchase agreement that includes a provision that would currently permit the offtake counterparty to terminate the agreement due to the event of the SunEdison Bankruptcy. However, to date we have identified one PPA that contains an event of default that can be triggered if the related project-level credit agreement is accelerated. This project-level credit agreement is currently in default because of our failure to deliver project-level audited financial statements for 2016 but is still within the contractual grace period for failure to deliver which extends to the end of July 2017. This project is expected to provide approximately $8.0 million of project-level cash available for distribution for 2017. We are working to obtain waivers or forbearance agreements from the project-level lenders with respect to this project that would avoid triggering this default under the PPA. Given the importance of maintaining PPAs, we believe our lenders for this project will likely be incentivized to take steps to avoid defaults under the PPA if we fail to cure the default, but we cannot assure that result.

Project operations and generation availability

The Company's revenue is a function of the volume of electricity generated and sold by our renewable energy facilities. Generation availability refers to the actual amount of time a power generation asset produces electricity divided by the amount of time such asset is expected to produce electricity, which reflects anticipated maintenance and interconnection interruptions. Our ability to generate electricity in an efficient and cost-effective manner is impacted by our ability to maintain and utilize the electrical generation capacity of our renewable energy facilities. The volume of electricity generated and sold by our renewable energy facilities during a particular period is also impacted by the number of facilities that have achieved commercial operations, as well as both scheduled and unexpected repair and maintenance required to keep our facilities operational. Equipment performance represents the primary factor affecting our operating results because equipment downtime impacts the volume of the electricity that we are able to generate from our renewable energy facilities. We are currently transitioning away from our historic reliance on SunEdison as the primary asset manager and operations and maintenance servicer for our wind and solar plants. Over the course of 2016, we ran a broad based process to identify and evaluate the capabilities of third party providers. To date, we have engaged third party providers for a portion of our wind and solar assets and expect to self-perform many of these services or to outsource those services to a qualified third party provider for the remaining wind and solar assets. We have also sought to retain key personnel and ensured timely payments to vendors and subcontractors. The volume of electricity generated and sold by our facilities will also be negatively impacted if any facilities experience higher than normal downtime as a result of equipment failures, electrical grid disruption or curtailment, weather disruptions, or other events beyond our control. The Company tracks generation availability as a measure of the operational efficiency of our business. For some of our plants, particularly our wind plants located in Texas, we sell a portion of the power output of the plant on a merchant basis into the wholesale power markets. Any uncontracted energy sales are dependent on the current or day ahead prices in the power markets. Certain of the wholesale markets have experienced volatility and negative pricing.

Seasonality and Resource Variability

The amount of electricity produced and revenues generated by our solar generation facilities is dependent in part on the amount of sunlight, or irradiation, where the assets are located. Shorter daylight hours in winter months results in less irradiation and the generation produced by these facilities will vary depending on the season. Irradiation can also be variable at a particular location from period to period due to weather or other meteorological patterns, which can affect operating results. As the great majority of our solar power plants are located in the Northern hemisphere, we expect our current solar portfolio's power generation to be at its lowest during the fourth quarter of each year. Therefore, we expect our fourth quarter solar revenue generation to be lower than other quarters.

Similarly, the electricity produced and revenues generated by our wind power plant depend heavily on wind conditions, which are variable and difficult to predict. Operating results for renewable energy facilities vary significantly from period to period depending on the wind conditions during the periods in question. As our wind power plants are located in geographies with different profiles, there is some flattening of the seasonal variability associated with each individual wind power plant's generation, and we expect that as the fleet expands the effect of such wind resource variability may be favorably impacted, although we cannot guarantee that we will purchase wind power plants that will achieve such results in part or at all. Historically, our wind production is greater in the first and fourth quarters which can partially offset the lower solar revenue expected to be generated in the fourth quarter.

Although we are currently deferring a decision on making dividend payments in the prudent conduct of our business over time, we intend to revert to a situation where we reserve a portion of our cash available for distribution and maintain sufficient liquidity, including cash on hand and a revolving credit facility in order to, among other things, facilitate the payment of dividends to our stockholders. As a result, over time we do not expect seasonality to have a material effect on the amount of our quarterly dividends.

Cash distribution restrictions

In certain cases, we obtain project-level or other limited or non-recourse financing for our renewable energy facilities which may limit our ability to distribute funds to the Company. These limitations typically require that the project-level cash is used to meet debt obligations and fund operating reserves of the project company. These financing arrangements also generally limit our ability to distribute funds to the Company if defaults have occurred or would occur with the giving of notice or the lapse of time, or both. As discussed above, as a result of the SunEdison Bankruptcy and delays in delivery of audited financial statements for certain project-level subsidiaries, the Company has experienced defaults under most of its non-recourse project-debt financing agreements. During the course of 2016 and to date in 2017, the Company obtained waivers or temporary forbearances with respect to most of these defaults and has transitioned, or is working to transition, the project-level services provided by SunEdison Debtors to third parties or in-house to an affiliate of the Company; however, certain of these defaults persist. Moreover, the Company has experienced, or expects to experience, additional defaults under most of the same non-recourse financing agreements in 2017 as the result of the failure to complete the Company or project-level audits on the time periods prescribed by those agreements. The Company is working to complete these audits and is seeking to cure or obtain waivers of such defaults. To date, none of the non-recourse project financings has been accelerated and no project-level lender has notified the Company of such lenders' election to enforce remedies with respect to project security interests, although no assurances can be given that the Company will obtain waivers and/or permanent forbearance of existing or future defaults or that none of those financings will be accelerated. While a project-level loan is in default, or during a forbearance period if required by the applicable lenders, we do not expect to be able to make distributions from our projects to the Company, reducing the cash available to fund our corporate-level operating expenses and debt service on our Revolver, Senior Notes due 2023 and Senior Notes Due 2025. Failure to receive these distributions for a meaningful period of time will have a material adverse effect on our business, financial condition and results of operations, including our ability to pay our corporate-level debt service obligations, as well as to pay dividends to the holders of our Class A common stock, and our ability to comply with corporate-level debt covenants.

Renewable energy facility acquisitions

Our long-term growth strategy is dependent on our ability to acquire additional clean power generation assets. The SunEdison Bankruptcy, the current market conditions for our debt and equity securities, and other risks that we face have limited our ability to finance and acquire renewable energy facilities at attractive returns. As a result we have adjusted our plans and priorities in light of these developments. Over the course of 2016, we focused on acquiring, terminating or resolving our commitments to acquire renewable energy facilities from SunEdison in order to align our future commitments with current market conditions, and as a result, all outstanding commitments that existed as of December 31, 2015 expired or were extinguished through termination or project acquisitions.

While we remain focused on executing near term strategic initiatives and objectives, including satisfying the conditions to the closing of the Merger and to the effectiveness of the Settlement Agreement, we will continue to monitor market developments and consider further adjustments to our plans and priorities if required, including, at the appropriate time, resuming our focus of acquiring long-term contracted clean power generation assets with proven technologies, low operating risks and stable cash flows in geographically diverse locations with growing demand and stable legal and political systems.

Clean energy has been one of the fastest growing sources of electricity generation in North America and globally over the past decade. We expect the renewable energy generation segment in particular to continue to offer high growth opportunities driven by:

- the significant reduction in the cost of solar, wind and other renewable energy technologies, which will lead to grid parity in an increasing number of markets;
- distribution charges and the effects of an aging transmission infrastructure, which enable renewable energy generation sources located at a customer’s site, or distributed generation, to be more competitive with, or cheaper than, grid-supplied electricity;
- the replacement of aging and conventional power generation facilities in the face of increasing industry challenges, such as regulatory barriers, increasing costs of and difficulties in obtaining and maintaining applicable permits, and the decommissioning of certain types of conventional power generation facilities, such as coal and nuclear facilities;
- the ability to couple renewable energy generation with other forms of power generation, creating a hybrid energy solution capable of providing energy on a 24/7 basis while reducing the average cost of electricity obtained through the system;
- the desire of energy consumers to lock in long-term pricing of a reliable energy source;
- renewable energy generation’s ability to utilize freely available sources of fuel, thus avoiding the risks of price volatility and market disruptions associated with many conventional fuel sources;
- environmental concerns over conventional power generation; and
- government policies that encourage development of renewable power, such as state or provincial renewable portfolio standard programs, which motivate utilities to procure electricity from renewable resources. In addition to renewable energy, we expect natural gas to grow as a source of electricity generation due to its relatively lower cost and lower environmental impact compared to other fossil fuel sources, such as coal and oil.

As a result of the SunEdison Bankruptcy, we do not expect that we will be able to acquire from SunEdison any of the Call Right Projects and add such projects to our operating fleet. If the Merger is consummated, we would enter into the Relationship Agreement, under which Brookfield would provide, subject to certain terms and conditions, us with a right of first offer on certain operating wind and solar assets in North America and certain other Western European nations that are owned by Brookfield and its affiliates (the “ROFO Pipeline”). Our future growth will be dependent on our ability to acquire renewable energy assets from third parties and, to the extent the Merger is consummated, our ability to make offers for assets in the ROFO Pipeline of Brookfield and its affiliates to the extent the applicable affiliate of Brookfield elects to sell such assets and we are able to make a successful offer under the terms of the Relationship Agreement.

Access to capital markets

Our ability to acquire additional clean power generation assets and manage our other commitments may be dependent on our ability to borrow additional funds and access capital markets, including the project finance market for project level debt. At this time, the conditions in the capital markets for our corporate debt and equity securities have made it difficult to obtain corporate-level financing in the capital markets at an attractive cost. If we are unable to raise adequate proceeds when needed to fund such acquisitions, the ability to grow our portfolio may be limited, which could have an adverse effect on our ability to implement our growth strategy and, ultimately, our projected cash available for distribution, business, financial condition, results of operations and cash flows.

Foreign exchange

Our operating results are reported in United States dollars. Currently, a majority of our revenues and expenses are generated in U.S. Dollars. Historically, we have also had significant revenue and expenses generated in other currencies, including the British Pound and the Canadian dollar. This mix of currencies may fluctuate in the future, including, as a result of the closing of our sale of the U.K. Portfolio on May 11, 2017. In addition, our investments (including intercompany loans) on renewable energy facilities in foreign countries are exposed to foreign currency fluctuations. As a result, we expect our revenues and expenses will be exposed to foreign exchange fluctuations in local currencies where our renewable energy facilities are located. To the extent we do not hedge these exposures, fluctuations in foreign exchange rates could negatively impact our profitability and financial position.

Key Metrics

Operating Metrics

Nameplate capacity

We measure the electricity-generating production capacity of our renewable energy facilities in nameplate capacity. Rated capacity is the expected maximum output a power generation system can produce without exceeding its design limits. Nameplate capacity is the rated capacity of all of the renewable energy facilities we own adjusted to reflect our economic ownership of joint ventures and similar power generation facilities. We measure nameplate capacity for solar generation facilities in MW (DC) and for wind power plants in MW (AC). The size of our renewable energy facilities varies significantly among the assets comprising our portfolio. We believe the combined nameplate capacity of our portfolio is indicative of our overall production capacity and period to period comparisons of our nameplate capacity are indicative of the growth rate of our business. Our renewable energy facilities had an aggregate nameplate capacity of 2,983.1 MW as of December 31, 2016.

Gigawatt hours sold

Gigawatt hours sold refers to the actual volume of electricity sold by our renewable energy facilities during a particular period. We track gigawatt hours sold as an indicator of our ability to realize cash flows from the generation of electricity at our renewable energy facilities. Our GWh sold for solar generation facilities for the years ended December 31, 2016, 2015 and 2014 were 2,224.7 GWh, 1,972.8 GWh, and 722.4 GWh, respectively. Our GWh sold for wind power plants for the years ended December 31, 2016 and 2015 were 5,499.0 GWh and 1,488.8 GWh, respectively.

Consolidated Results of Operations

For periods prior to the IPO on July 23, 2014, our consolidated results of operations represent the combination of TerraForm Power and Terra LLC, our accounting predecessor (the "Predecessor"). For all periods subsequent to the IPO, the amounts shown in the table below represent the results of TerraForm Power, which consolidates Terra LLC through its controlling interest. The results of the Company include the operating results of Terra LLC for the years ended December 31, 2016, 2015 and 2014 and $3.4 million, $12.1 million and $5.8 million of stock-based compensation expense, respectively, which is reflected in the operating results of TerraForm Power, Inc. The following table illustrates the results of operations for the years ended December 31, 2016, 2015 and 2014:

	Year Ended December 31,		
(In thousands)	**2016**	**2015**	**2014**
Operating revenues, net	$ 654,556	$ 469,506	$ 127,156
Operating costs and expenses:			
Cost of operations	113,302	70,468	10,630
Cost of operations - affiliate	26,683	19,915	8,063
General and administrative expenses	89,995	55,811	20,984
General and administrative expenses - affiliate	14,666	55,330	19,144
Acquisition and related costs	2,743	49,932	10,177
Acquisition and related costs - affiliate	—	5,846	5,049
Loss on prepaid warranty - affiliate	—	45,380	—
Goodwill impairment	55,874	—	—
Impairment of renewable energy facilities	18,951	—	—
Depreciation, accretion and amortization expense	243,365	161,310	41,280
Formation and offering related fees and expenses	—	—	3,570
Formation and offering related fees and expenses - affiliate	—	—	1,870
Total operating costs and expenses	565,579	463,992	120,767
Operating income	88,977	5,514	6,389
Other expenses (income):			
Interest expense, net	310,336	167,805	86,191
Loss (gain) on extinguishment of debt, net	1,079	16,156	(7,635)
Loss on foreign currency exchange, net	13,021	19,488	14,007
Loss on investments and receivables - affiliate	3,336	16,079	—
Other expenses, net	2,218	7,362	438
Total other expenses, net	329,990	226,890	93,001
Loss before income tax expense (benefit)	(241,013)	(221,376)	(86,612)
Income tax expense (benefit)	494	(13,241)	(4,689)
Net loss	(241,507)	(208,135)	(81,923)
Less: Pre-acquisition net income (loss) of renewable energy facilities acquired from SunEdison	—	1,610	(1,498)
Less: Predecessor loss prior to the IPO on July 23, 2014	—	—	(10,357)
Net loss subsequent to IPO and excluding pre-acquisition net income (loss) of renewable energy facilities acquired from SunEdison	(241,507)	(209,745)	(70,068)
Less: Net income attributable to redeemable non-controlling interests	18,365	8,512	—
Less: Net loss attributable to non-controlling interests	(130,025)	(138,371)	(44,451)
Net loss attributable to Class A common stockholders	$ (129,847)	$ (79,886)	$ (25,617)

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Operating revenues, net for the years ended December 31, 2016 and 2015 were as follows:

	Year Ended December 31,		
(In thousands, other than MW data)	**2016**	**2015**	**Change**
Energy:			
Solar	$ 258,114	$ 227,843	$ 30,271
Wind	248,617	105,361	143,256
Incentives including affiliates:			
Solar	119,374	118,190	1,184
Wind	28,451	18,112	10,339
Total operating revenues, net	$ 654,556	$ 469,506	$ 185,050
GWh sold:			
Solar	2,224.7	1,972.8	
Wind	5,499.0	1,488.8	
Total GWh sold	7,723.7	3,461.6	
Net nameplate capacity:			
Solar	1,451.6	1,399.3	
Wind	1,531.5	1,531.5	
Total net nameplate capacity (MW)[1]	2,983.1	2,930.8	

(1) Excludes 36.1 MW of projects which were under construction as of December 31, 2015.

Energy revenues increased by $173.5 million during the year ended December 31, 2016, compared to the same period in 2015, due to:

(In thousands)	**Solar**	**Wind**	**Total**
Acquisitions of renewable energy facilities from SunEdison in 2015 and Q1 2016	$ 24,429	$ 18,941	$ 43,370
Acquisition of Northern Lights in June 2015	5,513	—	5,513
Various other third party acquisitions in 2015	3,338	—	3,338
Timing of revenue under the MA Operating Massachusetts Virtual Net Metering PPAs	2,478	—	2,478
Lower revenue in U.K. due to weakening of the GBP partially offset by growth	(1,929)	—	(1,929)
Acquisition of Invenergy Wind in December 2015	—	157,669	157,669
Acquisition of First Wind in January 2015	—	8,885	8,885
Amortization of revenue contracts	(3,036)	(31,879)	(34,915)
Unrealized loss on derivatives	—	(10,360)	(10,360)
Other	(522)	—	(522)
	$ 30,271	$ 143,256	$ 173,527

Incentive revenue increased by $11.5 million during the year ended December 31, 2016, compared to the same period in 2015, due to:

(In thousands)	Solar	Wind	Total
Acquisitions of renewable energy facilities from SunEdison in 2015 and Q1 2016	$ 6,311	$ —	$ 6,311
Primarily timing of contracting SRECs as well as pricing, volume and other differences	(10,920)	6,777	(4,143)
Lower revenue in U.K. due to weakening of the GBP partially offset by growth	(2,088)	—	(2,088)
Acquisition of Invenergy Wind in December 2015	—	2,516	2,516
Acquisition of First Wind in January 2015	648	1,186	1,834
Various other third party acquisitions in 2015	3,003	—	3,003
ITC amortization	5,427	—	5,427
Other	(1,197)	(140)	(1,337)
	$ 1,184	$ 10,339	$ 11,523

Costs of Operations

Costs of operations for the years ended December 31, 2016 and 2015 were as follows:

	Year Ended December 31,		
(In thousands)	2016	2015	Change
Cost of operations:			
Solar	$ 27,934	$ 30,007	$ (2,073)
Wind	85,368	40,461	44,907
Cost of operations - affiliate:			
Solar	22,851	17,943	4,908
Wind	3,832	1,972	1,860
Total cost of operations	$ 139,985	$ 90,383	$ 49,602

Cost of operations increased $42.8 million during the year ended December 31, 2016, compared to the same period in 2015, due to:

(In thousands)	Solar	Wind	Total
Increase in cost of operations relating to acquisitions of renewable energy facilities from SunEdison and unaffiliated third parties	$ 4,075	$ 44,907	$ 48,982
Existing renewable energy facility cost of operations	(6,148)	—	(6,148)
	$ (2,073)	$ 44,907	$ 42,834

Cost of operations - affiliate increased $6.8 million during the year ended December 31, 2016, compared to the same period in 2015, due to:

(In thousands)	Solar	Wind	Total
Increase in cost of operations - affiliate relating to acquisitions of renewable energy facilities from SunEdison and unaffiliated third parties	$ 3,491	$ 1,860	$ 5,351
Existing renewable energy facility cost of operations - affiliate	1,417	—	1,417
	$ 4,908	$ 1,860	$ 6,768

General and Administrative

General and administrative expenses for the years ended December 31, 2016 and 2015 were as follows:

	Year Ended December 31,		
(In thousands)	**2016**	**2015**	**Change**
General and administrative:			
Project-level	$ 17,740	$ 19,583	$ (1,843)
Corporate	72,255	36,228	36,027
General and administrative - affiliate:			
Corporate	14,666	55,330	(40,664)
Total general and administrative	$ 104,661	$ 111,141	$ (6,480)

General and administrative expense increased by $34.2 million compared to the year ended December 31, 2016, and general and administrative - affiliate expense decreased by $40.7 million compared to the year ended December 31, 2015 due to:

(In thousands)	**General and administrative**	**General and administrative - affiliate**
Higher corporate costs due to professional fees for legal and accounting services as a result of the SunEdison Bankruptcy	$ 22,770	$ —
Banker and advisory marketing services for the Merger	8,402	—
Higher corporate costs for employee retention and annual incentive awards	3,012	—
Decrease in the management and administrative services provided by SunEdison subsequent to the Bankruptcy	—	(40,664)
Total change	$ 34,184	$ (40,664)

Pursuant to the management services agreement ("MSA"), SunEdison agreed to provide or arrange for other service providers to provide management and administrative services including legal, accounting, tax, treasury, project finance, information technology, insurance, employee benefit costs, communications, human resources and procurement to the Company. Subsequent to the SunEdison Bankruptcy, SunEdison continued to provide some management and administrative services to the Company, including employee compensation and benefit costs, human resources, information technology and communications, but stopped providing (or reimbursing the Company for) other services pursuant to the MSA. The MSA will be rejected as part of the Settlement Agreement entered into with SunEdison, and the Company will be deemed to have no liability, damages or claims arising out of the rejection of the MSA.

Pursuant to the TerraForm Power, Inc. 2014 Second Amended and Restated Long-Term Incentive Plan and individual employee incentive grant agreements, if the Company's strategic initiatives result in a change in control, or if the SunEdison Bankruptcy results in a liquidation event for SunEdison, all outstanding equity awards will vest, which would result in a significant charge for stock-based compensation expense in such period. As of December 31, 2016, the Company had $15.2 million of unrecognized compensation expense related to outstanding equity awards.

Acquisition and Related Costs

Acquisition and related costs, including amounts related to affiliates, were $2.7 million during the year ended December 31, 2016, compared to $55.8 million during the same period in 2015. The decrease compared to 2015 is primarily due to the acquisition of wind power plants from First Wind Holdings, LLC, which was completed in the first quarter of 2015, the acquisition of Invenergy Wind power plants, which was completed in the fourth quarter of 2015, and the failed acquisition of the Vivint Operating Assets. These fees primarily consist of investment banker advisory fees and professional fees for legal and accounting services related to our acquisitions.

Goodwill impairment

The Company performed its annual impairment test of the carrying value of its goodwill as of December 1, 2016 and concluded that the goodwill balance of $55.9 million was fully impaired. The impairment was driven by a combination of factors, including lack of near-term growth in the operating segment. The impairment test determined there was no implied value of goodwill, which resulted in an impairment charge of $55.9 million, which was recognized in goodwill impairment within the consolidated statement of operations for the year ended December 31, 2016. There was no goodwill impairment recognized during the year ended December 31, 2015.

Impairment of Renewable Energy Facilities

During 2016, the Company began exploring a sale of substantially all of its portfolio of residential rooftop solar assets located in the United States through a strategic sales process, and these assets were determined to meet the criteria to be classified as held for sale during the fourth quarter of 2016. The Company's analysis indicated that the carrying value of the assets exceeded the fair value less costs to sell, and thus an impairment charge of $15.7 million was recognized within impairment of renewable energy facilities in the consolidated statement of operations for the year ended December 31, 2016. The Company also recorded a $3.3 million charge within impairment of renewable energy facilities for the year ended December 31, 2016 due to the decision to abandon certain residential construction in progress assets that were not completed by SunEdison as a result of the SunEdison Bankruptcy. There was no impairment of renewable energy facilities recognized during the year ended December 31, 2015.

Depreciation, Accretion and Amortization

Depreciation, accretion and amortization expense increased by $82.1 million during the year ended December 31, 2016, compared to the same period in 2015, due to:

(In thousands)	**Solar**	**Wind**	**Total**
Increases in depreciation, accretion and amortization relating to acquisitions of renewable energy facilities from SunEdison and unaffiliated third parties	$ 16,851	$ 83,343	$ 100,194
Decrease in depreciation, accretion and amortization related to the U.K. Portfolio assets held for sale classification as of the first quarter of 2016	(18,139)	—	(18,139)
	$ (1,288)	$ 83,343	$ 82,055

Interest Expense, Net

Interest expense, net for the years ended December 31, 2016 and 2015 was as follows:

	Year Ended December 31,		
(In thousands)	**2016**	**2015**	**Change**
Corporate-level	$ 127,469	$ 89,463	$ 38,006
Project-level:			
Solar	97,123	71,351	25,772
Wind	85,744	6,991	78,753
Total interest expense, net	$ 310,336	$ 167,805	$ 142,531

Interest expense, net increased by $142.5 million during the year ended December 31, 2016, compared to the same period in 2015, due to increased indebtedness resulting from the acquisition of wind power plants and increased corporate-level indebtedness under the Revolver and the issuance of the Senior Notes due 2025. In addition, during the second quarter, the Company discontinued hedge accounting for interest rate swaps that were previously designated as cash flow hedges of the forecasted interest payments pertaining to variable rate project debt in the U.K. portfolio. This resulted in the reclassification of $16.9 million of losses from accumulated other comprehensive income into interest expense. Subsequent to the discontinuation of hedge accounting, the Company recognized additional unrealized losses of $7.3 million pertaining to these interest rate swaps that are also reported in interest expense. During the year ended December 31, 2015, we reported an inconsequential amount of interest income related to interest rate swap derivatives not designated as hedges within interest expense, net in the consolidated statement of operations.

Loss on Extinguishment of Debt, net

We incurred a net loss on extinguishment of debt of $1.1 million for the year ended December 31, 2016, driven by a reduction in borrowing capacity for the Revolver and corresponding write-off of a portion of the unamortized deferred financing costs, due to the Company entering into the consent agreement and ninth amendment to the terms of the Revolver and a waiver agreement with the requisite lenders pertaining to third quarter reporting deliverables and compliance. The net loss on extinguishment of debt of $16.2 million for the year ended December 31, 2015, was primarily due to the termination of the Term Loan and related interest rate swap, the exchange of the previous revolver to the Revolver, prepayment of premium paid in conjunction with the payoff of First Wind indebtedness at the acquisition date and termination of financing lease obligations upon acquisition of the Duke Operating portfolio.

Loss on Foreign Currency Exchange, net

We incurred a net loss on foreign currency exchange of $13.0 million for the year ended December 31, 2016, primarily due to a $14.4 million unrealized loss on the remeasurement of intercompany loans, which are primarily denominated in British pounds. These remeasurement losses were offset by $1.3 million of realized and unrealized net gains on foreign currency derivatives.

Loss on Investments and Receivables - Affiliate

We incurred a net loss on investments and receivables - affiliate of $3.3 million and $16.1 million during the years ended December 31, 2016 and 2015, respectively. We recognized $3.3 million and $4.8 million loss during 2016 and 2015, respectively, related to recording a bad debt reserve for outstanding receivables from debtors in the SunEdison Bankruptcy. The year ended December 31, 2015, also includes an $11.3 million loss on investment due to residential project cancellations driven by the SunEdison Bankruptcy.

Other expenses, net

Other expenses were $2.2 million for the year ended December 31, 2016. This was primarily due to $4.2 million loss on the investments offset by $2.0 million of other miscellaneous income. Other expenses were $7.4 million for the year ended December 31, 2015. This was primarily due to $4.2 million loss on investments and $3.2 million of other miscellaneous loss.

Income Tax Expense (Benefit)

Income tax expense from continuing operations was $0.5 million for the year ended December 31, 2016, compared to an income tax benefit of $13.2 million during the same period in 2015. For the year ended December 31, 2016, the overall effective tax rate was different than the statutory rate of 35% primarily due to loss allocated to the recording of a valuation allowance on certain tax benefits attributed to the Company, loss allocated to non-controlling interests, the impairment of goodwill at Capital Dynamics, and the effect of state taxes. The benefit in 2015 was primarily driven by the intraperiod allocation rules under ASC 740, as the Company recognized $14.6 million of offsetting income tax expense in other comprehensive loss. As of December 31, 2016, most jurisdictions are in a net deferred tax asset position. A valuation allowance is recorded against the deferred tax assets primarily because of the history of losses in those jurisdictions.

Net Loss Attributable to Non-Controlling Interests

Net loss attributable to non-controlling interests including redeemable non-controlling interests, was $111.7 million for the year ended December 31, 2016. This was primarily the result of a $65.7 million loss attributable to SunEdison's interest in Terra LLC's net income during the year ended December 31, 2016 and a $46.0 million loss attributable to project-level tax equity partnerships. Net loss attributable to non-controlling interests was $129.9 million for the year ended December 31, 2015. This was primarily the result of $51.5 million loss attributable to SunEdison's and R/C US Solar Investment Partnership, L.P's ("Riverstone") interest in Terra LLC's net income during the year ended December 31, 2015 and a $72.4 million loss attributable to project-level tax equity partnerships.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Operating Revenues, net

Operating revenues, net for the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31,		
(In thousands, other than MW data)	**2015**	**2014**	**Change**
Energy:			
Solar	$ 227,843	$ 92,436	$ 135,407
Wind	105,361	—	105,361
Incentives including affiliates:			
Solar	118,190	34,720	83,470
Wind	18,112	—	18,112
Total operating revenues, net	$ 469,506	$ 127,156	$ 342,350
GWh sold:			
Solar	1,972.8	722.4	
Wind	1,488.8	—	
Total GWh sold	3,461.6	722.4	
Net nameplate capacity (MW):			
Solar	1,399.3	928.1	
Wind	1,531.5	—	
Total net nameplate capacity (MW)[1]	2,930.8	928.1	

(1) Excludes 36.1 MW of projects which were under construction as of December 31, 2015.

Energy revenues increased by $240.8 million during the year ended December 31, 2015, compared to the same period in 2014, due to:

(In thousands)	**Solar**	**Wind**	**Total**
Increase in energy revenues from renewable energy facilities achieving commercial operations	$ 40,344	$ —	$ 40,344
Increase in energy revenues from acquisitions of renewable energy facilities from SunEdison and unaffiliated third parties	91,954	105,392	197,346
Amortization of revenue contracts	(1,083)	(31)	(1,114)
Increase in existing renewable energy facility energy revenue	4,192	—	4,192
	$ 135,407	$ 105,361	$ 240,768

Incentive revenue increased by $101.6 million during the year ended December 31, 2015, compared to the same period in 2014, due to:

(In thousands)	**Solar**	**Wind**	**Total**
Increase in incentive revenues from renewable energy facilities achieving commercial operations	$ 17,578	$ —	$ 17,578
Increase in incentive revenues from acquisitions of renewable energy facilities from SunEdison and unaffiliated third parties	67,048	18,112	85,160
Decrease in existing renewable energy facility incentive revenue	(1,156)	—	(1,156)
	$ 83,470	$ 18,112	$101,582

Costs of Operations

Costs of operations for the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31,		
(In thousands)	**2015**	**2014**	**Change**
Cost of operations:			
Solar	$ 30,007	$ 10,630	$ 19,377
Wind	40,461	—	40,461
Cost of operations - affiliate:			
Solar	17,943	8,063	9,880
Wind	1,972	—	1,972
Total cost of operations	$ 90,383	$ 18,693	$ 71,690

Cost of operations increased $59.8 million during the year ended December 31, 2015, compared to the same period in 2014, due to:

(In thousands)	**Solar**	**Wind**	**Total**
Increase in cost of operations relating to facilities achieving commercial operations	$ 2,602	$ —	$ 2,602
Increase in cost of operations relating to acquisitions of renewable energy facilities from SunEdison and unaffiliated third parties	16,420	40,461	56,881
Existing renewable energy facility cost of operations	355	—	355
	$ 19,377	$ 40,461	$ 59,838

Cost of operations - affiliate increased $11.9 million during the year ended December 31, 2015, compared to the same period in 2014, due to:

(In thousands)	**Solar**	**Wind**	**Total**
Increase in cost of operations - affiliate relating to facilities achieving commercial operations	$ 3,249	$ —	$ 3,249
Increase in cost of operations - affiliate relating to acquisitions of renewable energy facilities from SunEdison and unaffiliated third parties	6,156	1,972	8,128
Existing renewable energy facility cost of operations - affiliate	475	—	475
	$ 9,880	$ 1,972	$ 11,852

General and Administrative Expenses

General and administrative expenses for the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31,		
(In thousands)	**2015**	**2014**	**Change**
General and administrative:			
Project-level	$ 19,583	$ 14,566	$ 5,017
Corporate	36,228	6,418	29,810
General and administrative - affiliate:			
Corporate	55,330	19,144	36,186
Total general and administrative	$ 111,141	$ 40,128	$ 71,013

General and administrative expenses increased by $34.8 million compared to the year ended December 31, 2014, and general and administrative expenses - affiliate increased by $36.2 million compared to the year ended December 31, 2014 due to:

(In thousands)	General and administrative expenses	General and administrative expenses - affiliate
Increase due to stock-based compensation expense	$ 7,338	$ —
Increased project-level costs related to owning additional renewable energy facilities	3,489	—
Increase due to Eastern Maine Electric Cooperative litigation reserve	14,000	—
Increase due to LAP settlement	10,000	—
Increased corporate costs due to growth and additional costs related to being a public company	—	36,186
Total change	$ 34,827	$ 36,186

Pursuant to the MSA, we made cash payments to SunEdison of $4.0 million for general and administrative services provided to us for the year ended December 31, 2015. General and administrative - affiliate costs in excess of cash consideration paid have been treated as an equity contribution from SunEdison.

Acquisition and Related Costs

Acquisition and related costs, including amounts related to affiliates, were $55.8 million during the year ended December 31, 2015, compared to $15.2 million during the same period in 2014. These fees primarily consist of investment banking advisory fees and professional fees for legal and accounting services related to our consummated and pending acquisitions, including $5.8 million of shared costs allocated to us by SunEdison, which primarily related to the terminated Vivint acquisition. The increase relative to prior year was primarily due to the acquisitions of First Wind and Invenergy Wind and the terminated Vivint acquisition.

Loss on Prepaid Warranty - Affiliate

In conjunction with the First Wind Acquisition, SunEdison committed to reimburse the Company for capital expenditures and operations and maintenance labor fees in excess of budgeted amounts (not to exceed $53.9 million through 2019) for certain of its wind power plants. During the year ended December 31, 2015, the Company received contributions pursuant to this agreement of $4.3 million. The total amount related to capital expenditures of $50.0 million was initially recognized in renewable energy facilities as a prepaid warranty as the amount was part of the consideration paid on the acquisition date. As a result of the SunEdison Bankruptcy, the Company recorded a loss of $45.4 million during the year ended December 31, 2015 related to the write-off of the remaining balance of the prepaid warranty, which was net of depreciation expense of $1.9 million and capital expenditure reimbursements received of $2.7 million, and is reported as loss on prepaid warranty - affiliate in the consolidated statement of operations.

Formation and Offering Related Fees and Expenses

There were no formation and offering related fees and expenses, including amounts related to affiliates, during the year ended December 31, 2015. Formation and offering related fees and expenses, including amounts related to affiliates, were $5.4 million during the year ended December 31, 2014. These fees primarily consist of non-recurring professional fees for legal, tax and accounting services related to our formation.

Depreciation, Accretion and Amortization Expense

Depreciation, accretion and amortization expense increased by $120.0 million during the year ended December 31, 2015, compared to the same period in 2014, due to:

(In thousands)	Solar	Wind	Total
Increases in depreciation, accretion and amortization expense relating to facilities achieving commercial operations	$ 16,902	$ —	$ 16,902
Increases in depreciation, accretion and amortization relating to acquisitions of renewable energy facilities from SunEdison and unaffiliated third parties	58,122	43,392	101,514
Increases in depreciation, accretion and amortization expense relating to existing renewable energy facility revenue	1,614	—	1,614
	$ 76,638	$ 43,392	$ 120,030

Interest Expense, Net

Interest expense, net for the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31,		
(In thousands)	2015	2014	Change
Corporate-level	$ 89,463	$ 30,172	$ 59,291
Project-level:			
Solar	71,351	56,019	15,332
Wind	6,991	—	6,991
Total interest expense, net	$ 167,805	$ 86,191	$ 81,614

Interest expense, net, increased by $81.6 million during the year ended December 31, 2015, compared to the same period in 2014, primarily due to increased indebtedness related to the issuance of Senior Notes due 2023 and the Senior Notes due 2025. In addition, the year ended December 31, 2015 includes $15.4 million of amortization expense of bridge commitment fees related to financing out acquisitions of First Wind and Invenergy Wind. During the year ended December 31, 2015, we received an equity contribution of $10.6 million from SunEdison in connection with SunEdison's payment obligations under the Interest Payment Agreement and Amended Interest Payment Agreement. During the period from July 24, 2014 to December 31, 2014, the Company received an equity contribution of $5.4 million pursuant to the Interest Payment Agreement.

Loss (Gain) on Extinguishment of Debt, net

We incurred a net loss on extinguishment of debt of $16.2 million for the year ended December 31, 2015, driven by the following: i) the termination of the Term Loan and related interest rate swap, ii) the exchange of the previous revolver to the Revolver, iii) prepayment of premium paid in conjunction with the payoff of First Wind indebtedness at the acquisition date, and iv) the refinancing of project-level indebtedness of our U.K. portfolio. These losses were partially offset by a gain resulting from the termination of financing lease obligations upon acquisition of the Duke Energy operating facility. The net gain on extinguishment of debt of $7.6 million for the year ended December 31, 2014 was primarily due to termination of financing lease obligations upon acquiring the lessor interest in the SunE Solar Fund X portfolio of solar generation facilities. The net loss (gain) on extinguishment of debt for the years ended December 31, 2015 and 2014 related to the following corporate-level debt instruments and renewable energy facility portfolios:

	Year Ended December 31,	
(In thousands)	**2015**	**2014**
Term Loan extinguishment and related fees	$ 12,320	$ —
Revolver	1,306	—
First Wind	6,412	—
Duke Energy operating facility	(11,386)	—
U.K. Refinancing	7,504	—
U.S. Projects 2009-2013	—	2,459
Alamosa	—	1,945
Stonehenge Operating	—	3,797
SunE Solar Fund X	—	(15,836)
Total net loss (gain) on extinguishment of debt	$ 16,156	$ (7,635)

Loss on Foreign Currency Exchange, net

We incurred a net loss on foreign currency exchange of $19.5 million for the year ended December 31, 2015, driven by a $22.3 million unrealized loss on the remeasurement of intercompany loans, which are primarily denominated in British pounds, due to strengthening of the U.S. dollar. These remeasurement losses were partially offset by $3.6 million of realized and unrealized net gains on foreign currency derivatives.

Loss on Investments and Receivables - Affiliate

As a result of the SunEdison Bankruptcy, we recognized an $11.3 million loss on investment as a result of residential project cancellations. Further, we recognized an additional $4.8 million loss related to recording a bad debt reserve for outstanding receivables from the SunEdison Debtors.

Income Tax Provision

Income tax benefit was $13.2 million for the year ended December 31, 2015, compared to an income tax benefit of $4.7 million during the same period in 2014. The increased benefit in 2015 is primarily driven by the intraperiod allocation rules under ASC 740, as the Company recognized $14.6 million of offsetting income tax expense in other comprehensive loss. For the year ended December 31, 2015, the overall effective tax rate was different than the statutory rate of 35% primarily due to the recording of a valuation allowance on certain tax benefits attributed to us and due to lower statutory income tax rates in our foreign jurisdictions and due to the intraperiod allocation rule discussed above. For the year ended December 31, 2014, the tax benefits for losses realized prior to the IPO were recognized primarily because of existing deferred tax liabilities. As of December 31, 2015, most jurisdictions were in a net deferred tax asset position. A valuation allowance was recorded against the deferred tax assets primarily because of the history of losses in those jurisdictions.

Pre-acquisition Net Loss of Renewable Energy Facilities Acquired from SunEdison

Pre-acquisition net loss of renewable energy facilities acquired from SunEdison was $1.6 million for the year ended December 31, 2015, compared to a net loss of $1.5 million during the same period in 2014. The change of $3.1 million was primarily due to the $45.4 million impairment charge related to a wind power plant due to a significant decline in power prices and a resulting decline in the fair value of the acquired wind plant as discussed above.

Net Loss Attributable to Non-Controlling Interests

Net loss attributable to non-controlling interests including redeemable non-controlling interests, was $129.9 million for the year ended December 31, 2015. This was primarily the result of a $51.5 million loss attributable to SunEdison's and R/C US Solar Investment Partnership, L.P's ("Riverstone") interest in Terra LLC's net income during the year ended December 31, 2015 and a $72.4 million loss attributable to project-level tax equity partnerships. Net loss attributable to non-controlling interests was $44.5 million for the year ended December 31, 2014. This was the result of a $43.6 million loss attributable to SunEdison's and Riverstone's interest in Terra LLC's net loss during the period July 23, 2014 through December 31, 2014 and a $0.9 million loss attributable to project-level tax equity partnerships.

Liquidity and Capital Resources

Our principal liquidity requirements are to finance current operations, service our debt and to fund future cash dividends to our investors. We will also use capital in the future to finance expansion capital expenditures and acquisitions. Our operations are financed by internally generated cash flows as well as corporate and/or project-level borrowings to satisfy operating and capital expenditure requirements. As a normal part of our business, depending on market conditions, we will from time to time consider opportunities to repay, redeem, repurchase or refinance our indebtedness. Changes in our operating plans, lower than anticipated electricity sales, increased expenses, inability to distribute funds from our projects as a result of defaults under project-level financing arrangements, actions of SunEdison and other third parties, acquisitions, the consequences of the SunEdison Bankruptcy or other events may cause us to seek additional debt or equity financing in future periods. There can be no guarantee that financing will be available on acceptable terms or at all. Debt financing, if available, could impose additional cash payment obligations and additional covenants and operating restrictions that may negatively impact our business, operations and financial condition. Equity financing, if any, could result in the dilution of our existing stockholders and make it more difficult for us to pay or increase dividends.

Liquidity Position

Total corporate liquidity, or liquidity available for corporate use, as of December 31, 2016 and 2015 was $511.9 million and $548.0 million, respectively. Corporate liquidity excludes $57.6 million and $81.1 million, respectively, of unrestricted cash held at our project subsidiaries, which was available for project expenses but not available for corporate use.

Total liquidity as of December 31, 2016 and 2015 was $569.5 million and $629.2 million, respectively, and was comprised of the following:

	As of December 31,	
(In thousands)	**2016**	**2015**
Unrestricted corporate cash	$ 478,357	$ 521,075
Project-level distributable cash	29,383	24,403
Revolver availability	4,133	2,569
Total corporate liquidity	511,873	548,047
Other project-level unrestricted cash	57,593	81,117
Total liquidity	$ 569,466	$ 629,164

On November 25, 2016, Terra Operating LLC entered into a waiver agreement with the requisite lenders under the Revolver. In connection with this waiver, Terra Operating LLC made a prepayment of the revolving loans outstanding under the Revolver in an aggregate amount equal to $30.0 million and permanently reduced the revolving commitments and borrowing capacity under the Revolver and our liquidity by that amount. In connection with the consent agreement to the terms of the Revolver, Terra Operating LLC repaid $70.0 million of revolving loans outstanding under the Revolver on December 1, 2016 from proceeds received in connection with the Canadian project-level financing. As a result of these two commitment reductions, the total borrowing capacity under our Revolver was reduced to $625.0 million as of December 1, 2016. Subsequent to year end, in conjunction with the upsizing of our Canadian project-level financing and upon entering into the eleventh amendment to the Revolver (as discussed in "Recent Developments"), we further agreed to repay $5.0 million and $50.0 million, respectively, of revolving loans outstanding under the Revolver and permanently reduce the revolving commitments and borrowing capacity to $570.0 million.

During 2016, we experienced defaults under most of our non-recourse financing agreements as a result of the SunEdison Bankruptcy and delays in the delivery of audited financial statements for certain project-level subsidiaries, which caused $67.1 million of cash held at project subsidiaries to be trapped from future distribution as of December 31, 2016. During the course of 2016 and to date in 2017, the Company obtained waivers or temporary forbearances with respect to most of these defaults and has transitioned, or is working to transition, the project-level services provided by SunEdison Debtors to third parties or in-house to a Company affiliate. As a result, substantially all of this trapped cash was made available for potential distribution subsequent to December 31, 2016. However, the Company has experienced, or expects to experience, additional defaults under most of the same non-recourse financing agreements in 2017 as a result of the failure to timely complete Company or project-level audits. The Company is working to complete these audits and seeking to cure or obtain waivers of such defaults. If the remaining, or the expected future, defaults are not cured or waived, this will further restrict the ability of the relevant project-level subsidiaries to make distributions to us, which may affect our ability to meet certain covenants related to our Revolver and have a material adverse effect on our liquidity position.

In June of 2017, we agreed to make a $100.0 million prepayment in connection with obtaining a waiver for one of our non-recourse portfolio financing arrangements ("the Midco Portfolio Term Loan"), which is secured by indirect interests in approximately 1,104.3 MW of our renewable energy facilities, consisting of our wind power plants acquired from Invenergy Wind Global LLC and certain other assets. The waiver was obtained to (i) extend the 2016 audited project financial statement deadline under the loan agreement and (ii) waive the change of control default that would arise under the loan agreement as a result of the Merger until, in the case of the change of control waiver, the date that is the earlier of three months following the closing of the Merger and March 31, 2018. This prepayment was made using a portion of the proceeds the Company received from the sale of the U.K. Portfolio as discussed below in "Sources of Liquidity."

Management believes that our current corporate liquidity position and distributable operating cash flows will be adequate to finance our short-term operating and maintenance capital expenditures and other liquidity commitments. As discussed above in the context of current market conditions, management continues to regularly monitor our ability to finance the needs of the operating, financing and investing activities of our business within the dictates of prudent balance sheet management as our long-term growth will require additional capital.

Sources of Liquidity

Our principal sources of liquidity generally include cash on hand, cash generated from operations, borrowings under new and existing financing arrangements and the issuance of additional equity and debt securities as appropriate given market conditions. We are currently limited in our ability to access the capital markets for our debt and equity securities at costs that are attractive to us. We expect that sources of funds that are available to us, including cash on hand and cash generated from our operations, will be adequate to provide for our short-term and long-term liquidity needs. Our ability to meet our debt service obligations and other capital requirements (including capital expenditures), as well as make acquisitions, will depend on our future operating performance which, in turn, will be subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond our control.

Management can also optimize its portfolio and capital structure by exiting certain markets or selling certain assets if we believe the opportunity would improve stockholder value. As discussed in "Recent Developments," during 2016, we commenced a sale of substantially all of our portfolio of solar power plants located in the U.K. and substantially all of our portfolio of residential rooftop solar assets located in the United States. The sale of the U.K. Portfolio closed on May 11, 2017, which provided $211 million of additional liquidity to us. We also received $1.1 million in the first quarter of 2017 from the sale of a portion of our residential rooftop solar assets and closed on the sale of additional residential solar assets in the second quarter of 2017 for net proceeds of $5.4 million. We expect to receive an additional $0.6 million of proceeds in the third quarter of 2017 related to this sale.

Uses of Liquidity

Our principal requirements for liquidity and capital resources, other than for operating our business, can generally be categorized by the following: (i) funding acquisitions, if any; (ii) debt service obligations; (iii) wind plant maintenance capital expenditures; and (iii) cash dividends to investors. Generally, once commercial operation is achieved, our solar power plants do not require significant capital expenditures to maintain operating performance.

Funding Acquisitions

Commitments to Acquire Renewable Energy Facilities from SunEdison

We currently have no open commitments to acquire renewable energy facilities from SunEdison other than as described with respect to the Invenergy Wind Option Agreements (see Note 20 to our consolidated financial statements included in this Annual Report on Form 10-K).

Commitments for Third Party Acquisitions

The Company had previously committed $58.7 million in cash to acquire two wind power plants with a combined nameplate capacity of 98.6 MW from Invenergy Wind. This commitment expired on July 1, 2016. On January 20, 2017, Invenergy Wind provided notice of termination of the purchase agreement related to these power plants, and as a result, the Company does not expect to purchase these facilities.

Debt Service Obligations

As discussed above, as a result of the SunEdison Bankruptcy and delays in delivery of audited financial statements for certain project-level subsidiaries, the Company experienced defaults under most of its non-recourse financing agreements in 2016. During the course of 2016 and to date in 2017, the Company obtained waivers or temporary forbearances with respect to most of these defaults and has transitioned, or is working to transition, the project-level services provided by SunEdison Debtors to third parties or in-house to a Company affiliate; however, certain of these defaults persist. Moreover, the Company has experienced, or expects to experience, additional defaults under most of the same non-recourse financing agreements in 2017 as the result of the failure to timely complete Company or project-level audits. For certain of these defaults, the corresponding contractual grace periods already expired as of the financial statement issuance date or the Company could not assert that it was probable that the violation would be cured within any remaining grace periods, would be cured for a period of more than twelve months or were not likely to recur. In addition, while the Company has been actively negotiating with the lenders to obtain waivers, the lenders have not currently waived or subsequently lost the right to demand repayment for more than one year from the balance sheet date with respect to certain of these defaults. As these defaults occurred prior to the issuance of the financial statements for the year ended December 31, 2016, $1.6 billion of the Company's non-recourse long-term indebtedness, net of unamortized debt discounts and deferred financing costs, has been reclassified to current in the consolidated balance sheet as of December 31, 2016, as the Company accounts for debt in default as of the date the financial statements are issued in the same manner as if the default existed as of the balance sheet date.

The aggregate contractual payments of long-term debt due after December 31, 2016, including financing lease obligations and excluding amortization of debt discounts, premiums and deferred financing costs, as stated in the financing agreements, are as follows:

(In thousands)	**2017**[1]	**2018**	**2019**	**2020**	**2021**	**Thereafter**	**Total**
Maturities of long-term debt and financing lease obligations[2]	$745,445	$109,730	$449,578	$ 96,396	$ 99,883	$ 2,502,907	$ 4,003,939

(1) Includes $552.0 million of Revolver indebtedness as management currently intends to repay this indebtedness during 2017. Also includes $100.0 million prepayment for the Midco Portfolio Term Loan, which we agreed to pay in June of 2017 in connection with obtaining (i) a waiver to extend the 2016 audited project financial statement deadline under the loan agreement and (ii) a waiver of the change of control default that would arise under the loan agreement as a result of the Merger until, in the case of the change of control waiver, the date that is the earlier of three months following the closing of the Merger and March 31, 2018. This prepayment was made using a portion of the proceeds we received from the sale of the U.K. Portfolio as discussed above.

(2) Represents the contractual principal payment due dates for our long-term debt and does not reflect the reclassification of $1.6 billion of long-term debt to current as a result of debt defaults under certain of our non-recourse financing arrangements, except for the $100.0 million prepayment discussed directly above.

Interest Payment Agreement

In connection with the closing of the IPO on July 23, 2014, we entered into the Interest Payment Agreement with SunEdison and its wholly owned subsidiary, SunEdison Holdings Corporation, pursuant to which SunEdison agreed to pay all of the scheduled interest on a term loan through July 23, 2017, up to an aggregate of $48.0 million over such period (plus any interest due on any payment not remitted when due). We received an equity contribution of $4.0 million from SunEdison pursuant to the Interest Payment Agreement for the year ended December 31, 2015. During the period from July 24, 2014 to December 31, 2014, we received equity contributions totaling $5.4 million pursuant to the Interest Payment Agreement. No amounts were received during 2016 as the remaining outstanding principal balance of the term loan was fully repaid on January 28, 2015.

On January 28, 2015, concurrent with the issuance of the Senior Notes due 2023, Terra LLC and Terra Operating LLC entered into the Amended and Restated Interest Payment Agreement with SunEdison. The Amended Interest Payment Agreement amended and restated the Interest Payment Agreement, all in accordance with the terms of the Intercompany Agreement such that the amount of support provided by SunEdison remained the same despite the refinancing of the term loan. We received equity contributions totaling $8.0 million and $6.6 million from SunEdison pursuant to the Amended Interest Payment Agreement during the years ended December 31, 2016 and 2015, respectively. The 2016 contribution was received in the first quarter of 2016 and accrued for during fiscal 2015. As of the first quarter of 2016, we had received a cumulative amount of $24.0 million under the Interest Payment Agreement and Amended Interest Payment Agreement from SunEdison with $24.0 million of scheduled payments due in future periods. We have not received any payments from SunEdison pursuant to the Amended Interest Payment Agreement since the first quarter of 2016.

On July 29, 2016, SunEdison delivered a notice purporting to terminate the Amended Interest Payment Agreement. The notice alleges that SunEdison's bankruptcy permits termination as of right without following the bankruptcy procedures for rejection of executory contracts. Subject to the satisfaction of the conditions to effectiveness for the Settlement Agreement, the Amended Interest Payment Agreement will be rejected as part of the Settlement Agreement entered into with SunEdison without further liability, claims or damages on the part of the Company.

Cash Dividends to Investors

On October 27, 2014, the Company declared a quarterly dividend of $0.1717 per share on the Company's Class A common stock, which was paid on December 15, 2014 to shareholders of record on December 1, 2014. This amount represented a quarterly dividend of $0.2257 per share, or $0.9028 per share on an annualized basis, prorated to adjust for a partial quarter as the Company consummated its IPO on July 23, 2014.

On December 22, 2014, we declared a quarterly dividend for the fourth quarter of 2014 on our Class A common stock of $0.27 per share, or $1.08 per share on an annualized basis. The fourth quarter dividend was paid on March 16, 2015 to shareholders of record as of March 2, 2015.

On May 7, 2015, we declared a quarterly dividend for the first quarter on our Class A common stock of $0.325 per share, or $1.30 per share on an annualized basis. The first quarter dividend was paid on June 15, 2015 to shareholders of record as of June 1, 2015.

On August 6, 2015, we declared a quarterly dividend for the second quarter of 2015 on our Class A common stock of $0.335 per share, or $1.34 per share on an annualized basis. The second quarter dividend was paid on September 15, 2015 to shareholders of record as of September 1, 2015.

On November 9, 2015, the Company declared a quarterly dividend for the third quarter of 2015 on the Company's Class A common stock of $0.35 per share, or $1.40 per share on an annualized basis. The third quarter dividend was paid on December 15, 2015 to shareholders of record as of December 1, 2015.

We have not declared or paid a dividend since the third quarter of 2015. We believe it is prudent to defer any decisions on paying dividends to our shareholders for the time being. As such, we have not caused Terra LLC to make any distributions to its members (including to TerraForm Power as the sole holder of the Class A units and to SunEdison as the sole holder of the Class B units). In light of SunEdison’s failure to perform under its sponsorship arrangements, including the Management Services Agreement and Interest Payment Agreement, and the risks that we face as described in this Form 10-K, we cannot give any assurance that there will not be a substantial reduction in our cash available for distribution and in any dividends that we pay in the future on an annualized basis in comparison to the annualized dividends that we have paid in the past.

Incentive Distribution Rights

IDRs represent the right to receive increasing percentages (15.0%, 25.0% and 50.0%) of Terra LLC’s quarterly distributions after the Class A Units, Class B units, and Class B1 units of Terra LLC have received quarterly distributions in an amount equal to $0.2257 per unit and the target distribution levels have been achieved. Since the completion of the IPO, SunEdison holds 100% of the IDRs. As of December 31, 2016 and 2015, there were no Class B1 units of Terra LLC outstanding. There were no IDR payments made by us during the years ended December 31, 2016, 2015 and 2014.

As discussed above, SunEdison agreed to deliver the outstanding IDRs held by SunEdison or certain of its affiliates to TerraForm Power or its designee and in connection therewith, concurrently with the execution and delivery of the Merger Agreement, TerraForm Power, Terra LLC, Brookfield IDR Holder and SunEdison and certain of its affiliates have entered into the IDR Transfer Agreement which provides that, subject to satisfaction of the conditions in the Merger Agreement, SunEdison affiliates will transfer all of the IDRs to an affiliate of Brookfield at the effective time of the Merger on the terms and conditions set forth in the IDR Transfer Agreement. At the closing of the Merger, the limited liability company agreement of Terra LLC will be amended and restated to, among other things, reset the IDR thresholds of Terra LLC to establish a first distribution threshold of $0.93 per share of Class A common stock and a second distribution threshold of $1.05 per Class A common stock. As a result of this amendment and restatement, amounts distributed from Terra LLC would be distributed on a quarterly basis as follows:

- first, to the Company in an amount equal to the Company’s outlays and expenses for such quarter;

- second, to holders of Class A units, until an amount has been distributed to such holders of Class A units that would result, after taking account of all taxes payable by the Company in respect of the taxable income attributable to such distribution, in a distribution to holders of shares of Class A common stock of $0.93 per share (subject to adjustment for distributions, combinations or subdivisions of shares of Class A common stock) if such amount were distributed to all holders of shares of Class A common stock;
- third, 15% to the holders of the IDRs and 85% to the holders of Class A units until a further amount has been distributed to holders of Class A units in such quarter that would result, after taking account of all taxes payable by the Company in respect of the taxable income attributable to such distribution, in a distribution to holders of shares of Class A common stock of an additional $0.12 per share (subject to adjustment for distributions, combinations or subdivisions of shares of Class A common stock) if such amount were distributed to all holders of shares of Class A common stock; and
- thereafter, 75% to holders of Class A units and 25% to holders of the IDRs.

Cash Flow Discussion

We use traditional measures of cash flow, including net cash provided by operating activities, net cash used in investing activities and net cash (used in) provided by financing activities to evaluate our periodic cash flow results.

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

The following table reflects the changes in cash flows for the comparative periods:

	Year Ended December 31,		
(In thousands)	**2016**	**2015**	**Change**
Net cash provided by operating activities	$ 191,809	$ 124,260	$ 67,549
Net cash used in investing activities	(63,705)	(3,202,323)	3,138,618
Net cash (used in) provided by financing activities	(187,194)	3,238,505	(3,425,699)

Net Cash Provided By Operating Activities

Net cash provided by operating activities for the year ended December 31, 2016 was $191.8 million, which represents an increase of $67.5 million compared to the prior year. The increase was driven by the growth of our portfolio resulting from acquisitions from SunEdison and unaffiliated third parties, which was partially offset by higher interest paid under long-term indebtedness.

Net Cash Used In Investing Activities

Net cash used in investing activities for the year ended December 31, 2016 was $63.7 million, which includes $45.9 million of cash paid to third parties for the construction of renewable energy facilities, $4.1 million of cash paid for third party acquisitions and a $13.8 million net increase in restricted cash balances. Net cash used in investing activities for the year ended December 31, 2015 was $3.2 billion, which primarily consisted of $647.6 million of cash paid to third parties for the construction of renewable energy facilities, $2.5 billion of cash paid to third parties for acquisitions of renewable energy facilities and a $48.6 million net increase in restricted cash balances.

Net Cash (Used In) Provided By Financing Activities

Net cash used in financing activities for the year ended December 31, 2016 was $187.2 million, which was primarily driven by $156.0 million of principal payments on non-recourse long-term debt and $103.0 million repayment of Revolver borrowings, partially offset by $86.7 million of net proceeds from non-recourse financing arrangements. Net cash provided by financing activities for the year ended December 31, 2015 was $3.2 billion, which consisted of $921.6 million of net proceeds from the issuance of Class A common stock, $946.0 million of proceeds from the issuance of the Senior Notes due 2023, $300.0 million of proceeds from the issuance of the Senior Notes due 2025, $655.0 million of net proceeds from Revolver borrowings and $1.5 billion of net proceeds from non-recourse financing arrangements, partially offset by $573.5 million repayment of our term loan, $517.6 million of principal payments on non-recourse long-term debt and dividend payments of $88.7 million.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

The following table reflects the changes in cash flows for the comparative periods:

	Year Ended December 31,		
(In thousands)	2015	2014	Change
Net cash provided by operating activities	$ 124,260	$ 84,227	$ 40,033
Net cash used in investing activities	(3,202,323)	(1,799,636)	(1,402,687)
Net cash provided by financing activities	3,238,505	2,183,091	1,055,414

Net Cash Provided By Operating Activities

The increase in net cash provided by operating activities is driven by an increase in operating income, excluding the impact of non-cash items compared to the year ended December 31, 2014.

Net Cash Used In Investing Activities

Net cash used in investing activities for the year ended December 31, 2015 was $3.2 billion, which includes $647.6 million of cash paid to third parties for the construction of renewable energy facilities and $2.5 billion of cash paid for third party acquisitions. When we acquire renewable energy facilities from SunEdison, we recast our statement of cash flows to present construction costs incurred by SunEdison as if they were our construction costs. SunEdison continues to maintain the construction related liabilities for all renewable energy facilities. Net cash used in investing activities for the year ended December 31, 2014 was $1.8 billion, which includes $1.1 billion of cash paid to third parties for the construction of renewable energy facilities and $644.9 million of cash paid to third parties for acquisitions of renewable energy facilities.

Net Cash Provided By Financing Activities

Net cash provided by financing activities for the year ended December 31, 2015 was $3.2 billion, which consisted of $921.6 million of net proceeds from our equity offering, $946.0 million of proceeds from the issuance of Senior Notes due 2023, $300.0 million of proceeds from the issuance of Senior Notes due 2025, $655.0 million of net proceeds from Revolver borrowings and $1.5 billion of net proceeds from non-recourse financing arrangements, partially offset by $573.5 million repayment of our term loan, $517.6 million of principal payments on non-recourse long-term debt and dividend payments of $88.7 million. Net cash provided by financing activities for the year ended December 31, 2014 was $2.2 billion, which was primarily attributable to $770.4 million of net proceeds from the IPO, $575.0 million of proceeds from the issuance of our term loan, $471.9 million of net proceeds from non-recourse financing arrangements and $405.1 million of contributions from SunEdison to fund capital expenditures.

Contractual Obligations and Commercial Commitments

We have a variety of contractual obligations and other commercial commitments that represent prospective cash requirements. The following table summarizes our outstanding contractual obligations and commercial commitments as of December 31, 2016.

	Payment due by Period						
Contractual Cash Obligations (in thousands)	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**	**Total**
Long-term debt (principal)[1]	$ 735,996	$ 100,640	$ 431,082	$ 87,575	$ 90,881	$ 2,433,835	$ 3,880,009
Long-term debt (interest)[2]	212,109	182,912	155,315	150,704	146,129	387,310	1,234,479
Financing lease obligations[3]	9,449	9,090	18,496	8,821	9,002	69,072	123,930
Operating leases	16,705	16,485	16,601	16,797	16,986	274,869	358,443
Total contractual obligations	$ 974,259	$ 309,127	$ 621,494	$ 263,897	$ 262,998	$ 3,165,086	$ 5,596,861

(1) Represents the contractual principal payment due dates for our long-term debt and does not reflect the reclassification of $1.5 billion of long-term debt to current as a result of debt defaults under certain of our non-recourse financing arrangements (as further discussed in *Note 11. Long-term Debt* to our consolidated financial statements), except for the $100.0 million prepayment included in 2017 for the Midco Portfolio Term Loan, which we agreed to pay in June of 2017 in connection with obtaining (i) a waiver to extend the 2016 audited project financial statement deadline under the loan agreement and (ii) a waiver of the change of control default that would arise under the loan agreement as a result of the Merger until, in the case of the change of control waiver, the date that is the earlier of three months following the closing of the Merger and March 31, 2018. This prepayment was made using a portion of the proceeds we received from the sale of the U.K. Portfolio as discussed above. The 2017 amount also includes $552.0 million of Revolver indebtedness as management currently intends to repay this indebtedness during 2017.

(2) Includes fixed rate interest and variable rate interest using December 31, 2016 rates.

(3) Represents the minimum lease payment due dates for our financing lease obligations and does not reflect the reclassification of $49.7 million of financing lease obligations to current as a result of debt defaults under certain of our non-recourse financing arrangements as further discussed in *Note 11. Long-term Debt* to our consolidated financial statements.

Off-Balance Sheet Arrangements

The Company enters into guarantee arrangements in the normal course of business to facilitate commercial transactions with third parties. See Note 19 to our consolidated financial statements included in this Annual Report on Form 10-K for additional discussion.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions in certain circumstances that affect amounts reported in our consolidated financial statements and related footnotes. In preparing these consolidated financial statements, we have made our best estimates of certain amounts included in the consolidated financial statements. Application of accounting policies and estimates, however, involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. In arriving at our critical accounting estimates, factors we consider include how accurate the estimate or assumptions have been in the past, how much the estimate or assumptions have changed and how reasonably likely such change may have a material impact. Our critical accounting policies are discussed below.

Business Combinations

The Company accounts for its business combinations by recognizing in the financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interests in the acquiree at fair value at the acquisition date. The Company also recognizes and measures the goodwill acquired or a gain from a bargain purchase in the business combination and determines what information to disclose to enable users of an entity's financial statements to evaluate the nature and financial effects of the business combination. In addition, acquisition costs related to business combinations are expensed as incurred. Business combinations is a critical accounting policy as there are significant judgments involved in the allocation of acquisition cost.

When we acquire renewable energy facilities, we allocate the purchase price to (i) the acquired tangible assets and liabilities assumed, primarily consisting of land, plant, and long-term debt, (ii) the identified intangible assets and liabilities, primarily consisting of the value of favorable and unfavorable rate PPAs and REC agreements and the in-place value of market rate PPAs, (iii) non-controlling interests, and (iv) other working capital items based in each case on their fair values in accordance with ASC 805.

We generally engage independent appraisers to assist with the estimates and methodologies used such as a replacement cost approach, or an income approach or excess earnings approach. Factors considered by management in its analysis include considering current market conditions and costs to construct similar facilities. We also consider information obtained about each facility as a result of our pre-acquisition due diligence in estimating the fair value of the tangible and intangible assets and liabilities acquired or assumed. In estimating the fair value, we also establish estimates of energy production, current in-place and market power purchase rates, tax credit arrangements and operating and maintenance costs. A change in any of the assumptions above, which are subjective, could have a significant impact on the results of operations.

The allocation of the purchase price directly affects the following items in our consolidated financial statements:

- The amount of purchase price allocated to the various tangible and intangible assets, liabilities, and non-controlling interests on our balance sheet;
- The amounts allocated to the value of favorable and unfavorable rate PPAs and REC agreements are amortized to revenue over the remaining non-cancelable terms of the respective arrangement. The amounts allocated to all other tangible assets and intangibles are amortized to depreciation or amortization expense, with the exception of favorable and unfavorable rate land leases and unfavorable rate O&M contracts which are amortized to cost of operations; and
- The period of time over which tangible and intangible assets and liabilities are depreciated or amortized varies, and thus, changes in the amounts allocated to these assets and liabilities will have a direct impact on our results of operations.

Non-controlling Interests and Hypothetical Liquidation at Book Value ("HLBV")

Non-controlling interests represent the portion of net assets in consolidated entities that are not owned by the Company and are reported as a component of equity in the consolidated balance sheets. Non-controlling interests in subsidiaries that are redeemable either at the option of the holder or at fixed and determinable prices at certain dates in the future are classified as redeemable non-controlling interests in subsidiaries between liabilities and stockholders' equity in the consolidated balance sheets. Redeemable non-controlling interests that are currently redeemable or redeemable after the passage of time are adjusted to their redemption value as changes occur. The Company applies the guidance in ASC 810-10 along with the SEC guidance in ASC 480-10-S99-3A in the valuation of redeemable non-controlling interests.

The Company has determined the allocation of economics between the controlling party and the third party for non-controlling interests does not correspond to ownership percentages for certain of its consolidated subsidiaries. In order to reflect the substantive profit sharing arrangements, the Company has determined that the appropriate methodology for determining the value of non-controlling interests is a balance sheet approach using the HLBV method. Under the HLBV method, the amounts reported as non-controlling interest on the consolidated balance sheets represent the amounts the third party investors could hypothetically receive at each balance sheet reporting date based on the liquidation provisions of the respective operating partnership agreements. HLBV assumes that the proceeds available for distribution are equivalent to the unadjusted, stand-alone net assets of each respective partnership, as determined under U.S. GAAP. The third party non-controlling interests in the consolidated statements of operations and statements of comprehensive loss are determined based on the difference in the carrying amounts of non-controlling interests on the consolidated balance sheets between reporting dates, adjusted for any capital transactions between the Company and third party investors that occurred during the respective period.

Where, prior to the commencement of operating activities for a respective renewable energy facility, HLBV results in an immediate change in the carrying value of non-controlling interest on the consolidated balance sheet due to the recognition of ITCs or other adjustments as required by the U.S. Internal Revenue Code, the Company defers the recognition of the respective adjustments and recognizes the adjustments in non-controlling interest on the consolidated statement of operations on a straight-line basis over the expected life of the underlying assets giving rise to the respective difference. Similarly, where the Company has acquired a controlling interest in a partnership and there is a resulting difference between the initial fair value of non-controlling interest and the value of non-controlling interest as measured using HLBV, the Company initially records non-controlling interest at fair value and amortizes the resulting difference over the remaining life of the underlying assets.

Restricted Cash

Restricted cash consists of cash on deposit in financial institutions that is restricted to satisfy the requirements of certain debt agreements and funds held within the Company's project companies that are restricted for current debt service payments and other purposes in accordance with the applicable debt agreements. These restrictions include: (i) cash on deposit in collateral accounts, debt service reserve accounts and maintenance reserve accounts; and (ii) cash on deposit in operating accounts but subject to distribution restrictions related to debt defaults existing as of the balance sheet date.

Recently Issued Accounting Standards

See Note 2 to our consolidated financial statements included in this Annual Report on Form 10-K for disclosures concerning recently issued accounting standards. These disclosures are incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to several market risks in our normal business activities. Market risk is the potential loss that may result from market changes associated with our business or with an existing or forecasted financial or commodity transaction. The types of market risks we are exposed to are interest rate risk, foreign currency risk and commodity risk. We do not use derivative financial instruments for speculative or trading purposes.

Interest Rate Risk

As of December 31, 2016, the estimated fair value of our debt was $4,080.4 million and the carrying value of our debt was $3,950.9 million. We estimate that a hypothetical 100 bps, or 1%, increase and decrease in market interest rates would have decreased and increased the fair value of our long-term debt by $95.2 million and $106.2 million, respectively.

As of December 31, 2016, our corporate-level debt consisted of the Senior Notes due 2023 (fixed rate), the Senior Notes due 2025 (fixed rate) and the Revolver (variable rate). We have not entered into any interest rate derivatives to swap our variable rate corporate-level debt to a fixed rate, and thus we are exposed to fluctuations in interest rate risk. A hypothetical increase or decrease in interest rates by 1% would have increased or decreased interest expense related to our Revolver by $6.4 million for the year ended December 31, 2016.

As of December 31, 2016, our non-recourse permanent financing debt was at both variable and fixed rates. 52% of the $2,078.0 million balance had a variable interest rate and the remaining 48% of the balance had a fixed interest rate. We have entered into interest rate derivatives to swap certain of our variable rate non-recourse debt to a fixed rate. Although we intend to use hedging strategies to mitigate our exposure to interest rate fluctuations, we may not hedge all of our interest rate risk and, to the extent we enter into interest rate hedges, our hedges may not necessarily have the same duration as the associated indebtedness. Our exposure to interest rate fluctuations will depend on the amount of indebtedness that bears interest at variable rates, the time at which the interest rate is adjusted, the amount of the adjustment, our ability to prepay or refinance variable rate indebtedness when fixed rate debt matures and needs to be refinanced and hedging strategies we may use to reduce the impact of any increases in rates. We estimate that a hypothetical 100 bps, or 1%, increase or decrease in our variable interest rates pertaining to interest rate swaps not designated as hedges would have increased or decreased our earnings by $22.7 million and $25.6 million, respectively, for the year ended December 31, 2016.

Foreign Currency Risk

During the years ended December 31, 2016 and 2015, we generated operating revenues in the United States (including Puerto Rico), Canada, the United Kingdom, and Chile, with our revenues being denominated in U.S. dollars, Canadian dollars and British pounds. The PPAs, operating and maintenance agreements, financing arrangements and other contractual arrangements relating to our current portfolio are denominated in U.S. dollars, Canadian dollars and British pounds.

We use currency forward contracts in certain instances to mitigate the financial market risks of fluctuations in foreign currency exchange rates. We manage our foreign currency exposures through the use of these currency forward contracts to reduce risks arising from the change in fair value of certain assets and liabilities denominated in British pounds and Canadian dollars. The objective of these practices is to minimize the impact of foreign currency fluctuations on our operating results. We estimate that a hypothetical 100 bps, or 1%, increase and decrease in foreign exchange rates would have the following impacts on our earnings for the year ended December 31, 2016:

(in thousands)	**-100 BPS**	**+100 BPS**
Canadian Dollars	$ (189)	$ 185
British Pounds[1]	—	—
Total	$ (189)	$ 185

(1) During the year ended December 31, 2016, we terminated all of our British pounds forward contracts as we are no longer forecasting the underlying distributions denominated in British pounds. We still have exposure to fluctuations in exchange rates though we estimate that a hypothetical 100 bps, or 1% change in rates would have an inconsequential impact on our results of operations.

Commodity Risk

For certain of our wind power plants, we use long-term cash settled swap agreements to economically hedge commodity price variability inherent in wind electricity sales arrangements. If we sell electricity generated by our wind power plants to an independent system operator market and there is no PPA available, then we may enter into a commodity swap to hedge all or a portion of the estimated revenue stream. These price swap agreements require periodic settlements, in which we receive a fixed-price based on specified quantities of electricity and we pay the counterparty a variable market price based on the same specified quantity of electricity. We estimate that a hypothetical 1,000 bps, or 10%, increase or decrease in electricity sales prices pertaining to commodity swaps not designated as hedges would have decreased or increased our earnings by $4.5 million for the year ended December 31, 2016.

Liquidity Risk

The Company's principal liquidity requirements are to finance current operations, service debt and to fund cash dividends to investors. Changes in operating plans, lower than anticipated electricity sales, increased expenses, acquisitions or other events may cause management to seek additional debt or equity financing in future periods. There can be no guarantee that financing will be available on acceptable terms or at all. Debt financing, if available, could impose additional cash payment obligations and additional covenants and operating restrictions. The Company's ability to meet its debt service obligations and other capital requirements, including capital expenditures, as well as make acquisitions, will depend on the Company's future operating performance which, in turn, will be subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond management's control.

Credit Risk

Credit risk relates to the risk of loss resulting from non-performance or non-payment by offtake counterparties or SunEdison under the terms of their contractual obligations, thereby impacting the amount and timing of expected cash flows. We monitor and manage credit risk through credit policies that include a credit approval process and the use of credit mitigation measures such as having a diversified portfolio of offtake counterparties. However, there are a limited number of offtake counterparties under offtake agreements in each region that we operate, and this concentration may impact the overall exposure to credit risk, either positively or negatively, in that the offtake counterparties may be similarly affected by changes in economic, industry or other conditions. If any of these receivable balances in the future should be deemed uncollectible, it could have a material adverse effect on our forecasted cash flows.

Item 8. Financial Statements and Supplementary Data.

The financial statements and schedules are listed in *Part IV, Item 15. Exhibits, Financial Statement Schedules* of this annual report on Form 10-K and are incorporated by reference herein. Our selected quarterly financial data for each of the quarterly periods ended March 31, June 30, September 30 and December 31 in 2016 and 2015 are included in *Note 23 - Quarterly Financial Information (Unaudited)* to our consolidated financial statements in this annual report on Form 10-K.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under the Management Services Agreement, SunEdison provided the systems and personnel for our financial reporting and control processes (such as information technology, enterprise resource management and accounting systems) and, as a result, our financial reporting and control processes relied to a significant extent on SunEdison systems and personnel. SunEdison has not performed as obligated under the Management Services Agreement, in particular with respect to financial reporting and internal control matters.

We carried out an evaluation as of December 31, 2016, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were not effective as of December 31, 2016, based on the material weaknesses discussed in Management's Report on Internal Control over Financial Reporting described below.

Notwithstanding such material weakness in internal control over financial reporting, our management concluded that our consolidated financial statements in this annual report on Form 10-K present fairly, in all material respects, the Company's financial position, results of operations and cash flows as of the dates, and for the periods presented, in conformity with generally accepted accounting principles ("GAAP").

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

As of December 31, 2016, management conducted an assessment of the effectiveness of our internal control over financial reporting based upon the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control-Integrated Framework (2013)* (COSO 2013 Framework). Based on management's assessment using these criteria, our management concluded that, as of December 31, 2016, there were material weaknesses in our internal control over financial reporting as further described below.

A material weakness is a deficiency or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement in our annual or interim financial statements will not be prevented or detected on a timely basis. As of December 31, 2016, we identified the following material weaknesses:

The Company and SunEdison, as our service provider for all matters related to financial reporting processes and controls, did not maintain an effective control environment, risk assessment process, information and communication process, and monitoring activities based on the following:

- The Company did not have an effective annual process in place to ensure that all employees, including management, and outsourced service providers confirmed their compliance with the Company's Code of Business Conduct and that deviations from the expected standards of conduct were identified and remedied in a timely manner. Further, the Company did not maintain an effective whistleblower hotline throughout the organization;
- The Company did not have effective Board oversight and management monitoring activities over financial reporting processes and internal controls;
- The Company did not have a sufficient number of trained resources with assigned responsibility and accountability for financial reporting processes and the effective design and operation of internal controls;
- The Company did not have an effective, documented and continuous risk assessment process to identify and analyze risks of financial misstatement due to error and/or fraud and to identify and assess necessary changes in generally accepted accounting principles and financial reporting processes and internal controls impacted by changes in the business model resulting from growth from acquisitions, changes in information systems, changes at SunEdison and transition of key personnel;
- The Company did not have effective information and communication processes that ensured appropriate and accurate information was available to financial reporting personnel on a timely basis in order that they could fulfill their roles and responsibilities.

Accordingly, the Company and SunEdison, as our service provider for all matters related to financial reporting processes and controls, did not establish appropriate control activities through policies and procedures to mitigate risks to the achievement of the Company's financial reporting objectives, as follows:

- The Company did not have effective information technology (IT) general controls over all operating systems, databases, and IT applications supporting financial reporting. Accordingly, process-level automated controls and manual controls that were dependent upon the information derived from IT systems were also determined to be ineffective. Additionally, the Company did not have effective end-user computing controls over spreadsheets used in financial reporting.
- The Company did not have effective controls over the completeness, existence, and accuracy of revenues and the completeness, existence, accuracy and valuation of accounts receivable.
- The Company did not have effective reconciliation controls over the completeness, existence and accuracy of certain balance sheet accounts. Specifically, the reconciliation controls did not adequately investigate, resolve and correct reconciling items on a timely basis.
- The Company did not have effective controls over the completeness, existence and accuracy of expenses and accounts payable and accrued expenses. Specifically, the Company did not establish an effective accounts payable voucher and disbursement process and related internal controls in order to review and approve and accurately record accounts payable and accrued liabilities on a timely basis.
- The Company did not have effective controls over the completeness, existence and accuracy of renewable energy facilities, accumulated depreciation and depreciation expense.
- The Company did not have effective controls over the completeness, accuracy and presentation of restricted cash. Specifically, there were ineffective controls over the completeness and accuracy of information and ineffective controls over program changes and access to the spreadsheets used to measure the restricted cash transactions.
- The Company did not have effective process-level and management review controls over the completeness and accuracy of information used in the measurement and disclosure of goodwill impairment, long-lived asset impairment and asset retirement obligation assessments, fair value measurements of underlying assets acquired and liabilities assumed in business combinations, allocation of income between controlling and non-controlling interest using the hypothetical liquidation of book value method, and debt covenant compliance and going concern evaluation processes.

These control deficiencies resulted in several material misstatements to the preliminary consolidated financial statements that were corrected prior to the issuance of the audited consolidated financial statements. These control deficiencies create a reasonable possibility that a material misstatement to the consolidated financial statements will not be prevented or detected on a timely basis, and therefore we concluded that the deficiencies represent material weaknesses in the Company’s internal control over financial reporting and our internal control over financial reporting was not effective as of December 31, 2016.

Our independent registered public accounting firm, KPMG, LLP, who audited the consolidated financial statements included in this annual report, has expressed an adverse report on the operating effectiveness of the Company's internal control over financial reporting. KPMG LLP's report appears on page 136 of this annual report on Form 10-K.

Changes in Internal Control over Financial Reporting

These material weaknesses originated in the prior year, accordingly there have been no other changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended) during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

Remediation Plan

The Company continues to work to strengthen its internal control over financial reporting. We are committed to ensuring that such controls are designed and operating effectively. Our Board and management take internal controls over financial reporting and the integrity of the Company's financial statements seriously and believe that the remediation steps described below are essential to establishing and maintaining strong and effective internal controls over financial reporting and addressing the root causes that contributed to the material weaknesses identified. The following actions and plans have been or are currently in process of being implemented:

- The Company has increased communication and training to employees and the Board regarding the ethical values of the Company and the requirement to comply with laws, rules, regulations, and Company policies, including the Code of Conduct and Ethics policy, and the importance of accurate and transparent financial reporting. In addition, the Company will implement a process to ensure that all employees annually confirm compliance with the Code of Conduct and Ethics policy and that deviations are identified and timely remediated. Further, the Company has also established a separate whistleblower hotline and has communicated the purpose and existence of the hotline to all employees.
- The Board has implemented an internal audit function and is in the process of developing a risk based plan that will monitor the Company's adherence to its policies and procedures including, without limitation, those policies and procedures related to any areas of concern or emphasis that the Board has identified as part of its oversight.
- The Company has created a separate stand-alone corporate organization independent of SunEdison, including, among other things, directly hiring employees and retaining contractors and establishing our own human resources and accounting functions, including a cloud-based SaaS accounting system. The Company is also working to establish information technology and other critical systems and infrastructure separate from SunEdison.
- The Company has and will continue to provide ongoing training for dedicated resources with assigned responsibility and accountability for financial reporting processes and internal controls.
- The Company has implemented an annual financial control risk assessment process and is in the process of implementing a regularly recurring fraud risk assessment process focused on identifying and analyzing risks of financial misstatement due to error and/or fraud, including management override of controls.
- Management review controls are being reassessed to determine the appropriate level of precision required to mitigate the potential for a material misstatement. In addition, the Company is enhancing the design and implementation and supporting documentation over management review controls to make clear: (i) management's expectations related to transactions that are subject to such controls; (ii) the level of precision and criteria used for investigation; and (iii) evidence that all outliers or exceptions that should have been identified are investigated.
- The Company is implementing effective information and communication processes to ensure the organization internally communicates information, including objectives and responsibilities for internal control, necessary to timely support the functioning of internal controls over financial reporting.

These remediation efforts are in each case independent of SunEdison or with a minimized level of SunEdison involvement. We expect the implementation of our remediation plan and our continuing efforts to separate from SunEdison to result in significant improvements to our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Below is a list of names, ages and a brief account of the business experience of persons who serve as our executive officers, other key officers and directors.

Name	Age	Position
Peter Blackmore	70	Interim Chief Executive Officer, Director and Chairman
Rebecca Cranna	48	Executive Vice President and Chief Financial Officer
Sebastian Deschler	46	Senior Vice President, General Counsel and Secretary
Thomas Studebaker	39	Chief Operating Officer
David Rawden	60	Interim Chief Accounting Officer
Hanif "Wally" Dahya	61	Director
Christopher Compton	68	Director
John F. Stark	66	Director
Kerri L. Fox	49	Director
Edward "Ned" Hall	58	Director
Marc S. Rosenberg	59	Director
Christian S. Fong	40	Director
David Pauker	58	Director

Peter Blackmore, Interim Chief Executive Officer, Director and Chairman

Mr. Blackmore has served as Chairman of the Board since his appointment on November 20, 2015. Mr. Blackmore has also served as our Interim Chief Executive Officer since his appointment on April 21, 2016. Mr. Blackmore was a member of SunEdison's board of directors from 2006 until his resignation on November 20, 2015. He has also served as President, Chief Executive Officer and a member of the board of directors of ShoreTel, Inc., an Internet protocol communications company from December 2010 until his retirement in August 2013. From July 2008 until September 2010, Mr. Blackmore served as President, Chief Executive Officer and a member of the board of directors of UTStarcom, Inc., an Internet protocol company. From July 2007 to July 2008, he was President and Chief Operating Officer for UTStarcom. Before this position, Mr. Blackmore had been Executive Vice President of Unisys Corporation from February 2005 to July 2007. From 1991 through August 2004, Mr. Blackmore served in various roles at Compaq Computer Corporation, and Hewlett-Packard Company, or HP, most recently as Executive Vice President of the Customer Solutions Group at HP from May 2004 through August 2004, and as Executive Vice President of the Enterprise Systems Group at HP from 2002 to May 2004. Prior to the merger of Compaq and HP, he served as Senior Vice President of Worldwide Sales and Service of Compaq from 2000 through 2002 and Senior Vice President of Worldwide Sales and Marketing of Compaq from 1998 through 2000. Mr. Blackmore was a member of the board of directors of Multi-Fineline Electronix, Inc. from 2005 to 2008. Mr. Blackmore has significant experience in the computer and telecommunications industries. In addition, he has significant experience in China and India through his work with HP and UTStarcom. Mr. Blackmore brings to the Company extensive sales and marketing experience in consumer and related markets, including senior management responsibility. He also brings to the Company the experience obtained by his prior service as the chief executive officer of two publicly-listed companies. Mr. Blackmore also serves as the chairman of the board of directors and Interim Chief Executive Officer of TerraForm Global, Inc. (together with its subsidiaries, "Terraform Global").

Rebecca Cranna, Executive Vice President and Chief Financial Officer

Ms. Cranna was appointed Executive Vice President and Chief Financial Officer on November 22, 2015. Ms. Cranna previously served as Senior Vice President and Chief Financial Officer, Global Asset Management, of SunEdison, a position she held since May 2015. From September 2014 to May 2015, Ms. Cranna served as Senior Vice President of Asset and Risk Management for TerraForm Power with operations responsibility for TerraForm Power's operating power plant fleet. From September 2014 to January 2017, Ms. Cranna served as an executive officer of Silver Ridge Power, LLC ("Silver Ridge Power"), a solar power company jointly owned by an affiliate of SunEdison and Riverstone Holdings LLC with operations in seven countries, and from 2010 to 2014 she was Chief Financial Officer at Silver Ridge Power, with operations and finance responsibilities. Prior to that, she served as a Vice President of AES Corporation from 2006 to 2009, where she led the credit review group, reporting to the general counsel and board of directors, and was a Managing Director in the corporate development group focused on mergers and acquisitions. From 1992 to 2006, Ms. Cranna served at AES Corporation in various positions of increasing responsibility, focusing on greenfield power project development for coal, gas, and hydro-electric power plants, non-recourse project financings, and mergers and acquisitions across multiple geographies including Latin America, the Caribbean, Africa and the United States. Ms. Cranna holds a B.A. in Human Biology from Stanford University. The Company believes that Ms. Cranna's extensive financial experience and history of leadership enables her to effectively supervise the Company's financial operations. Ms. Cranna also serves as the Executive Vice President and Chief Financial Officer of TerraForm Global.

Sebastian Deschler, Senior Vice President, General Counsel and Secretary

Mr. Deschler was appointed Senior Vice President, General Counsel and Secretary in January 2014. Mr. Deschler previously served as Vice President and Head of Legal, EMEA and Latin America at SunEdison, which he joined in 2007. He played a leading role in the international expansion of SunEdison, and led a number of large and innovative debt and equity transactions that have been recognized as setting precedents for the industry. Before joining SunEdison, Mr. Deschler was an attorney at major law firms in Washington D.C., handling project finance, regulatory and corporate matters. Mr. Deschler holds a Master of Laws (LL.M.) degree from New York University, where he was a Fulbright Scholar, and a law degree from University of Bonn, Germany. He is admitted to practice law in New York, Washington D.C. and Germany.

Thomas Studebaker, Chief Operating Officer

Mr. Studebaker has served as our Chief Operating Officer since July 2016. Mr. Studebaker, age 39, is a Managing Director in AlixPartners, LLPs' ("AlixPartners") Turnaround & Restructuring practice in the Boston office, joining the firm in 2008. Previously, he spent two years with a boutique restructuring group in Chicago and four years with PricewaterhouseCoopers in that firm's assurance and business advisory services practice. Previously, he has acted as the Chief Financial Officer to Metro Fuel Oil Corp., as well as the Chief Financial Officer to a privately held global consulting company. Mr. Studebaker holds an MBA from the J. L. Kellogg School of Management at Northwestern University and a Bachelor of Business Administration in accounting from the University of Notre Dame. He is a certified public accountant licensed in the state of Massachusetts and a member of the Turnaround Management Association, the American Bankruptcy Institute, and the Association of Insolvency & Restructuring Advisors. Mr. Studebaker also serves as the Chief Operating Officer of TerraForm Global.

David Rawden, Interim Chief Accounting Officer

Mr. Rawden has served as our Interim Chief Accounting Officer since July 2016. Mr. Rawden, age 60, is a Director in AlixPartners' Turnaround and Restructuring practice. He joined AlixPartners in 1990. Most recently, he was Chief Financial Officer for Career Education, a publicly traded post-secondary education company. Mr. Rawden was also Interim Chief Financial Officer for Exopack Holding, a privately held SEC registered manufacturer of flexible packaging; Chief Financial Officer for X-Rite, a private/public manufacturer of Electro/Optical color measurement devices; Chief Financial Officer for Allied Holdings, a publicly traded transportation company; Chief Financial Officer for a regional transportation and warehousing company; Chief Financial Officer for the Savannah College of Art and Design and interim Chief Financial Officer for a privately-held global sporting event company. Mr. Rawden earned a Master of Management in finance and economics from Northwestern University, and a Bachelor of Arts in accounting from Michigan State University. He is a certified public accountant in the state of Michigan. Mr. Rawden also serves as the Interim Chief Accounting Officer of TerraForm Global.

Hanif "Wally" Dahya, Director

Mr. Dahya was appointed to our Board in connection with the completion of our IPO in July 2014. Since 2007, Mr. Dahya has served as the Chief Executive Officer of the Y Company LLC, a private investment firm that specializes in restructuring distressed assets in emerging markets, focusing on telecommunications, energy, and environmental industries. Before founding the Y Company LLC, Mr. Dahya was a Partner at Sandler O'Neill & Partners LP, a full-service investment banking firm specializing in serving financing institutions, from 1991 to 1997. Prior to that, Mr. Dahya worked at EF Hutton & Company, Inc. in the Corporate Finance group, served as a Managing Director at LF Rothschild & Company, Inc., and was a Managing Director at UBS Securities Inc. Mr. Dahya is currently a member of the board of directors of New York Community Bancorp, Inc., for which he chairs the Investment Committee and the New York Commercial Bank Credit Committee, for which he is a member of the Audit Committee, Nominating and Corporate Governance Committee, Risk Assessment Committee, Capital Adequacy Committee and Asset Liability Committee. Mr. Dahya brings valuable energy industry and public company board experience to our Board. Mr. Dahya serves as chair of the Audit Committee of the Board. Mr. Dahya also serves as director and as chair of the audit committee of TerraForm Global.

Christopher Compton, Director

Mr. Compton was elected to our Board on November 20, 2015. Mr. Compton served in various senior finance positions with Chiquita Brand International, Inc. from 1987 to 2012 after which he retired. Following his retirement, Mr. Compton has worked as an independent consultant. Mr. Compton adds an accomplished international banking, capital markets and corporate finance background to our Board and possesses extensive financial experience from his tenure with a large public company. Mr. Compton serves as a member of the Audit Committee and the Compensation Committee. Mr. Compton previously served as a member of the Corporate Governance and Conflicts Committee of the Board until the creation of the Compensation Committee on February 3, 2017. Mr. Compton also serves as a director and as a member of the audit committee of TerraForm Global.

John F. Stark, Director

Mr. Stark was appointed to our Board on November 20, 2015. Mr. Stark was previously the Chief Financial Officer of Imergy Power Systems from December 2013 to July 2016. From May 2007 to November 2013, Mr. Stark served as Chief Financial Officer of BrightSource Energy and from April 2004 to May 2007 served as Chief Financial Officer of SVB Financial Group. Prior to his employment in such roles, Mr. Stark served in a variety of senior management capacities for public and private energy companies, including serving in a number of financial and operations positions for PG&E Corp. for over twenty years. Mr. Stark is also currently a member of the board of directors of TC Pipelines, LP, a limited partnership formed to acquire, own and actively participate in the management of natural gas pipelines and related assets, for which he chairs the conflicts committee and is a member of the audit committee. Mr. Stark also currently serves on the board of directors of ASUS, a wholly-owned subsidiary of Alta Gas Services. Mr. Stark brings to the Company significant financial expertise and experience obtained from his prior service as the Chief Financial Officer for multiple public and private companies, as well as a long history of experience in the energy industry. Mr. Stark serves as a chair of the Compensation Committee and a member of the Audit Committee of the Board. Mr. Stark previously served as chair of the Corporate Governance and Conflicts Committee of the Board until the creation of the Compensation Committee on February 3, 2017. Mr. Stark also serves as a director and as a member of the compensation committee and the audit committee of the board of TerraForm Global.

Kerri L. Fox, Director

Ms. Fox joined the Board of the Company on November 21, 2016 and has more than 20 years of experience structuring and executing financings for energy and infrastructure projects globally, including multiple wind and solar transactions. She is currently the Chief Financial Advisor to Steelhead LNG, a Vancouver-based developer of LNG export projects, and also serves on the Board of Directors of Alterra Power Corp., a Vancouver-based developer, owner and operator of wind, solar, hydro and geothermal assets. Until September 2016, Ms. Fox served as Managing Director and Head, Project Finance, North America for BBVA Securities Inc. Prior to joining BBVA, Ms. Fox ran the Global Export and Project Finance business for Fortis Capital Corp. from New York, and held various roles in the Structured and Project Finance Group at Deutsche Bank. Ms. Fox began her career as an attorney at Milbank, Tweed, Hadley & McCloy. Ms. Fox has a JD from Harvard Law School and an AB in International Relations and Russian Studies from Brown University. The Company believes that Ms. Fox's project finance experience adds valuable financial and managerial oversight to the Board. Ms. Fox serves as a member of the Corporate Governance and Conflicts Committee of the Board.

Edward "Ned" Hall, Director

Mr. Hall joined the Board of the Company on November 21, 2016 and also currently serves as an independent director and member of the Nominating and Governance Committee of the Board of Directors of General Cable, a global leader in the development, design, manufacture, marketing and distribution of copper, aluminum and fiber optic wire and cable products for the energy, industrial, construction, specialty and communications markets. During 2017, Mr. Hall was appointed to the Audit Committee of General Cable. Mr. Hall also serves as a non-executive director of Globeleq, the leading independent power producer in Sub-Saharan Africa. Mr. Hall is the Vice Chairman of Japan Wind Development Co., Ltd., a developer and operator of wind generation projects. From April 2013 until February 2015, Mr. Hall served as the Executive Vice President – Chief Operating Officer of Atlantic Power Corporation. Prior to Atlantic Power, Mr. Hall spent more than 24 years working in the energy sector at AES Corporation, a publicly traded global power company. While at AES Corporation, Mr. Hall held various positions including Managing Director, Global Business Development from 2003 to 2005; President, Wind Generation from 2005 to 2008; President, North America from 2008 to 2011; and Chief Operating Officer, Global Generation from 2011 to 2013. Mr. Hall previously served as a chairman of the board of directors of the American Wind Energy Association and as member of its board of directors. Mr. Hall holds a Master of Science degree in Management from MIT Sloan School of Management and a Bachelor of Science in Mechanical Engineering from Tufts University. Mr. Hall brings an accomplished background in the energy industry to our Board. Mr. Hall serves as chair of the Corporate Governance and Conflicts Committee and a member of the Compensation Committee of the Board.

Marc S. Rosenberg, Director

Mr. Rosenberg joined the Board of the Company on November 21, 2016, and previously spent over 23 years as a partner at Cravath, Swaine & Moore LLP, where he founded and co-chaired the firm's Corporate Governance and Board Advisory Practice. Prior to his retirement in 2013, Mr. Rosenberg advised boards of directors, board committees and senior management in connection with crisis management, governmental investigations, corporate governance matters and other special situations. Mr. Rosenberg's legal practice also included extensive experience in mergers and acquisitions, financings and other corporate transactions. He currently serves as a Director Emeritus at New York Lawyers for the Public Interest, and previously served as a Director from 2011 to 2014. Mr. Rosenberg holds a J.D., from Harvard Law School, magna cum laude, and an A.B. from Princeton University, summa cum laude. Mr. Rosenberg adds legal expertise and an accomplished background in corporate governance to our Board. Mr. Rosenberg serves as a member of the Corporate Governance and Conflicts Committee of the Board.

Christian S. Fong, Director

Mr. Fong joined the Board of the Company on February 12, 2017. Mr. Fong has served as the Chief Executive Officer of Fong Management, LLC, where he serves as an executive to real asset, cleantech and financial services firms. Mr. Fong co-founded Renewable Energy Trust Capital ("RET") in 2010 and served in multiple executive roles through 2016, including as RET's Chief Operating Officer, Chief Investment Officer, Chief Financial Officer and Director. Prior to founding RET, Mr. Fong was a Managing Director and Head of Real Estate Capital Markets at AEGON / Transamerica and previously served as CEO of Corridor Recovery, Inc, as a consultant at McKinsey & Co, and as a candidate for Governor of Iowa. Mr. Fong holds an MBA with High Distinction from Dartmouth College's Tuck School of Business, and a B.S. in Statistics, summa cum laude, from Creighton University. He has earned the chartered financial analyst and certified commercial investment member designations. Mr. Fong serves as a member of the Audit Committee and the Corporate Governance and Conflicts Committee of the Board.

David Pauker, Director

Mr. Pauker joined the Board of the Company on December 20, 2016. David Pauker has more than 25 years of experience as a financial consultant and turnaround manager specializing in underperforming companies. From 2002 to 2015, Mr. Pauker was the executive managing director of Goldin Associates, LLC, a leading national restructuring advisory firm. At Goldin, Mr. Pauker was a senior advisor to institutional investors, lenders and management in connection with companies in consumer products, energy & natural resources, financial services, manufacturing, media & telecommunications, real estate, retail, textile & apparel and other industries. He has served as Interim Chief Executive Officer, Chief Operating Officer or Chief Restructuring Officer for numerous companies undergoing significant transition and has advised clients in connection with the restructurings of Boston Generating, Calpine, Mirant, Northwestern, NRG, Power Company of America and SemGroup. He is a Fellow of the American College of Bankruptcy and a member of the board of directors of Lehman Brothers, appointed pursuant to the Lehman bankruptcy plan. He has frequently been ranked among leading U.S. restructuring advisors. Mr. Pauker is a graduate of Cornell University and Columbia University School of Law. Mr. Pauker serves as a member of the Corporate Governance and Conflicts Committee of the Board.

BOARD LEADERSHIP STRUCTURE

Our Board consists of nine members. For more information on changes in the composition and size of our Board, please see "Business - *Recent Developments - Corporate Governance Changes."* The Board is responsible for, among other things, overseeing the conduct of our business, reviewing and, where appropriate, approving our long-term strategic, financial and organizational goals and plans, and reviewing the performance of our chief executive officer and other members of senior management. Following the end of each year, our Board will conduct an annual self-evaluation, which includes a review of any areas in which the Board or management believes the Board can make a better contribution to our corporate governance, as well as a review of the committee structure and an assessment of the Boards' compliance with corporate governance principles. In fulfilling the Boards' responsibilities, directors have full access to our management and independent advisors.

CORPORATE GOVERNANCE AND BOARD MATTERS

Independence of the Board of Directors

For purposes of the applicable stock exchange rules, we are a "controlled company." Controlled companies under those rules are companies of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company. SunEdison controls more than 50% of the combined voting power of our common stock and, as a result, has and will continue to have the right to designate a majority of the members of our Board for nomination for election and the voting power to elect such directors.

Specifically, as a controlled company, we are not required to have (i) a majority of independent directors, (ii) a nominating and corporate governance committee composed entirely of independent directors, (iii) a compensation committee composed entirely of independent directors or (iv) an annual performance evaluation of the nominating and corporate governance and compensation committee. We currently rely on the exceptions with respect to establishing a nominating committee and annual performance evaluations of such committee. Accordingly, our stockholders do not have the same protections afforded to stockholders of companies that are subject to all of the applicable stock exchange rules. The controlled company exemption does not modify the independence requirements for the audit committee, and we comply with the requirements of the Sarbanes-Oxley Act and the applicable NASDAQ rules, which require that our audit committee be composed of at least three members, each of whom is independent. In addition, we maintain a Corporate Governance and Conflicts Committee and a Compensation Committee which are each comprised of at least three independent directors. Four of our directors (Messrs. Blackmore, Compton, Dahya and Stark) are also directors of TerraForm Global, Inc. See the risk factor entitled *"We may have conflicts of interest with TerraForm Global"* in *Item 1A. Risk Factors* for more information.

Information regarding the Board and its Committees

The standing committees of our Board consists of an Audit Committee, a Corporate Governance and Conflicts Committee, and a Compensation Committee. Each committee reports to the Board as it deems appropriate and as the Board may request. The composition, duties and responsibilities of these committees are set forth below. The following table provides the current membership and fiscal year 2016 meeting information for each committee of the Board.

Name	Audit	Corporate Governance & Conflicts	Compensation
Hanif "Wally" Dahya	Chairperson	—	—
Christopher Compton	Member	—	Member
John F. Stark	Member	—	Chairperson
Kerri L. Fox	—	Member	—
Edward "Ned" Hall	—	Chairperson	Member
Marc S. Rosenberg	—	Member	—
Christian S. Fong	Member	Member	—
David Pauker	—	Member	—
Total meetings held in fiscal year 2016	19	82	N/A (1)

(1) The Compensation Committee was designated after the end of 2016.

Below is a description of each committee of the Board:

Audit Committee

The Audit Committee is responsible for, among other matters: (i) appointing, retaining and evaluating our independent registered public accounting firm and approving all services to be performed by it, (ii) overseeing our independent registered public accounting firm's qualifications, independence and performance, (iii) overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the SEC, (iv) reviewing and monitoring our accounting principles, accounting policies, financial and accounting controls and compliance with legal and regulatory requirements, (v) establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters, and (vi) reviewing and approving related person transactions.

Our Audit Committee consists of Messrs. Dahya, Compton, Stark and Fong. We believe that Messrs. Dahya, Compton, Stark and Fong qualify as independent directors according to the rules and regulations of the SEC and NASDAQ with respect to audit committee membership. We also believe that Mr. Dahya qualifies as our "audit committee financial expert," as such term is defined in Item 407(d)(5) of Regulation S-K. Mr. Dahya has been designated as the chairperson of the Audit Committee. Our Board has adopted a written charter for the Audit Committee which is available on our corporate website, http://www.terraformpower.com.

Corporate Governance and Conflicts Committee

Our Corporate Governance and Conflicts Committee is responsible for, among other matters: (i) developing and reviewing the Company's corporate governance guidelines, including recommending any changes to the Board, (ii) reviewing and approving potential conflict transactions between the Company and any affiliated parties, including SunEdison and certain of its subsidiaries, with respect to acquisitions of assets and other transactions, including the evaluation of acquisition opportunities presented to the Company pursuant to the Project Support Agreement (as defined below), (iii) making recommendations to the Board concerning the structure, composition and functioning of the Board and its committees, (iv) overseeing, coordinating and developing guidelines for evaluations of the Board, each of its committees and management, and developing guidelines for such evaluations, (v) reviewing and reporting to the Board regarding potential conflicts of interest of directors, and (vi) providing leadership and guidance to the Board and to the Company regarding other matters of corporate governance. On March 25, 2016, in anticipation of and in connection with a bankruptcy filing by SunEdison, the Board delegated to the Corporate Governance and Conflicts Committee the power and authority to evaluate and act affirmatively with respect to matters involving or substantially relating to SunEdison, including actions to protect the Company's contractual and other rights and otherwise to preserve the value of the Company and its assets. In addition, on June 30, 2016, the Board delegated to the Corporate Governance and Conflicts Committee the Board's power and authority with respect to compensation for our executive officers and directors, including relating to base compensation, director fees, bonuses, merit adjustments, annual incentive compensation, awards of restricted stock units and equity-based compensation.

Our Corporate Governance and Conflicts Committee consists of Ms. Fox and Messrs. Fong, Hall, Pauker and Rosenberg. We believe Ms. Fox and Messrs. Fong, Hall, Pauker and Rosenberg qualify as independent directors according to the rules and regulations of the SEC and NASDAQ. Mr. Hall has been designated as the chairperson of the Corporate Governance and Conflicts Committee. Our Board has adopted a written charter for the Corporate Governance and Conflicts Committee which is available on our corporate website, http://www.terraformpower.com.

LLC Conflicts Committee

On June 1, 2016, TerraForm Power, Inc., acting in its capacity as the sole managing member of Terra LLC, adopted an amendment (the "LLC Agreement Amendment") to the Amended and Restated Limited Liability Company Agreement of Terra LLC, dated as of July 23, 2014 (as amended from time to time, the "Terra LLC Agreement"). Pursuant to the LLC Agreement Amendment, until the first annual meeting of the Company's stockholders held after December 31, 2016, the Company delegated to an independent conflicts committee (the "LLC Conflicts Committee") the exclusive power to exercise all of its rights, powers and authority as the sole managing member of Terra LLC to manage and control the business and affairs of Terra LLC and its controlled affiliates relating to or involving SunEdison and any of its affiliates (other than the Company and its controlled affiliates).

The LLC Agreement Amendment was approved and authorized by the Company's Conflicts Committee pursuant to the power and authority delegated to it by resolutions of the Board dated March 25, 2016 authorizing the Conflicts Committee, in anticipation of and in connection with a bankruptcy filing by SunEdison, to evaluate and act affirmatively with respect to matters involving or substantially relating to SunEdison, including actions to protect the Company's contractual and other rights and otherwise to preserve the value of the Company and its assets. The decision to delegate authority to the Conflicts Committee with respect to these SunEdison related matters was taken by the Board in light of the obligation that material matters relating to SunEdison be approved by the Conflicts Committee. On June 1, 2016, the Board reaffirmed the power and authority delegated to the Conflicts Committee with respect to these SunEdison related matters by ratifying the adoption of the LLC Agreement Amendment.

The current members of the LLC Conflicts Committee are Ms. Fox and Messrs. Fong, Hall, Pauker and Rosenberg. Mr. Hall has been designated as the chairperson of the LLC Conflicts Committee. New members may be appointed (i) by a majority of LLC Conflicts Committee members then in office or (ii) by the Company (in its capacity as managing member of Terra LLC) with the approval of the holders of a majority of the outstanding shares of Class A common stock of TerraForm Power, Inc., excluding any such shares held, directly or indirectly, by SunEdison or any of its affiliates.

Each member of the LLC Conflicts Committee must satisfy, in the determination of the LLC Conflicts Committee, the Nasdaq Global Select Market standards for “independent directors” and nominations committee members.

The delegation of exclusive power and authority to the LLC Conflicts Committee under the LLC Agreement Amendment may not be revoked and the members of the LLC Conflicts Committee may not be removed, other than by a written instrument signed by the Company, acting in its capacity as managing member of Terra LLC, with either (i) the written consent of a majority of the LLC Conflicts Committee members then in office, or (ii) Independent Shareholder Approval.

Compensation Committee

As a controlled company, we are not required to establish a compensation or nominating committee under NASDAQ rules. While the Company remains able to rely upon such exceptions, on February 3, 2017, the Board created a Compensation Committee of the Board (the "Compensation Committee").

The Compensation Committee is responsible for, among other matters: (i) reviewing and approving corporate goals and objectives relevant to the compensation of the Company’s Chief Executive Officer, (ii) determining, or recommending to the Board for determination, the Chief Executive Officer’s compensation level based on this evaluation, (iii) determining, or recommending to the Board for determination, the compensation of directors and all other executive officers, (iv) discharging the responsibility of the Board with respect to the Company’s incentive compensation plans and equity-based plans, (v) overseeing compliance with respect to compensation matters, (vi) reviewing and approving severance or similar termination payments to any current or former executive officer of the Company, and (vii) preparing an annual Compensation Committee Report, if required by applicable SEC rules.

Our Compensation Committee consists of Messrs. Hall, Stark and Compton. We believe that Messrs. Hall, Stark and Compton qualify as independent directors according to the rules and regulations of the SEC and Nasdaq. Mr. Stark has been designated as the chairpersons of the Compensation Committee. Our Board has adopted a written charter for the Compensation Committee which is available on our corporate website, http://www.terraformpower.com.

Other Committees

Our Board may establish other committees as it deems necessary or appropriate from time to time.

RISK OVERSIGHT MANAGEMENT

The Board oversees the risk management activities designed and implemented by our management. Our senior management is responsible for assessing and managing our risks on a day-to-day basis. The Board executes its oversight responsibility for risk management both directly and through its committees. The full Board considers specific risk topics, including risks associated with our strategic plan, business operations and capital structure. In addition, the Board receives detailed regular reports from members of our senior management and other personnel that include assessments and potential mitigation of the risks and exposures involved with their respective areas of responsibility.

The Board has delegated to the Audit Committee oversight of our risk management process. Our Audit Committee oversees and reviews with management our policies with respect to risk assessment and risk management and our significant financial risk exposures and the actions management has taken to limit, monitor or control such exposures. Our Board oversees risk related to compensation policies. Our Corporate Governance and Conflicts Committee also considers and addresses risk as it performs its respective committee responsibilities. Both standing committees report to the full Board as appropriate, including when a matter rises to the level of a material or enterprise level risk.

STOCKHOLDER COMMUNICATIONS WITH OUR BOARD OF DIRECTORS

Stockholders and interested parties may communicate with our Board by sending correspondence to the Board, a specific committee of our Board or a director c/o our Secretary, at TerraForm Power, Inc., 7550 Wisconsin Avenue, 9th Floor, Bethesda, Maryland 20814.

Our Secretary reviews all communications to determine whether the contents include a message to a director and will provide a summary and copies of all correspondence (other than solicitations for services, products or publications) to the applicable director or directors at each regularly scheduled meeting. Our Secretary will alert individual directors to items that warrant a prompt response from the individual director prior to the next regularly scheduled meeting. Items warranting prompt response, but not addressed to a specific director, will be routed to the applicable committee chairperson.

CODE OF BUSINESS CONDUCT

Our Board has adopted a Code of Business Conduct that applies to all of our directors, officers, and employees, including our Chief Executive Officer and our Chief Financial Officer. Our Code of Business Conduct is available on our website at www.terraformpower.com. If we amend or grant a waiver of one or more of the provisions of our Code of Business Conduct, we intend to satisfy the requirements under Item 5.05 of Form 8-K regarding the disclosure of amendments to or waivers from provisions of our Code of Business Conduct that apply to our principal executive officer and financial and accounting officers by posting the required information on our website.

CONFLICTS OF INTEREST POLICY

Our Board has adopted a Conflicts of Interest Policy that applies to all of our employees, including our Chief Executive Officer and Chief Financial Officer. Our Conflicts of Interest Policy is available on our website at www.terraformpower.com.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, executive officers, and holders of more than 10% of our Common Stock to file reports regarding their ownership and changes in ownership of our securities with the SEC, and to furnish us with copies of all Section 16(a) reports that they file.

Based solely upon a review of Forms 3 and 4 and amendments thereto furnished to us and written representations provided to us by all of our directors and executive officers and certain of our greater than 10% stockholders, we believe that during the year ended December 31, 2016, our directors, executive officers, and greater than 10% stockholders complied with all applicable Section 16(a) filing requirements with the exception of the following untimely filings:

Name	Form	Filing Date	Date of Reportable Transaction
Rebecca Cranna	4	5/30/2017	3/10/2016
David Pauker	4	1/5/2017	12/20/2016
David Pauker	3	1/5/2017	12/20/2016
Gregory Scallen	4	12/29/2016	12/22/2016
Kerri L. Fox	4	12/1/2016	11/21/2016
Marc S. Rosenberg	4	12/1/2016	11/21/2016
Edward "Ned" Hall	4	12/1/2016	11/21/2016
Sebastian Deschler	4	11/23/2016	11/18/2016
Rebecca Cranna	4	11/23/2016	11/18/2016
Ilan Daskal	3	4/11/2016	3/30/2016

NON-EMPLOYEE DIRECTOR COMPENSATION

Any officers or employees of SunEdison who also served as our directors during 2016 did not receive additional compensation for their service as one of our directors. Our directors who are not officers or employees of us or SunEdison are entitled to compensation for their service as “non-employee directors” as set by our Board.

As determined by our Board, our directors were entitled to the following fees for their service on our Board and its committees during 2016:

- $50,000 annual board of directors cash retainer;
- $20,000 additional annual cash retainer for the Chairman of the Audit Committee;
- $7,500 additional annual cash retainer for all other members of the Audit Committee;
- $12,500 additional annual cash retainer for the Chairman of the Corporate Governance and Conflicts Committee; and
- $5,000 additional annual cash retainer for all other members of the Corporate Governance and Conflicts Committee.

Due to delays in filing the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, the Company did not hold an annual meeting during 2016. On June 30, 2016, the members of the Board authorized the Company to pay annual cash retainers to the non-employee directors as if the annual meeting of stockholders had been held on June 30, 2016. In addition, certain non-employee directors who were elected to the Board after June 30, 2016 received the full relevant cash retainers upon joining the Board and, upon their appointment to Committees in early 2017, the relevant Committees.

On February 16, 2017, the members of the Board, upon the recommendation of the Compensation Committee, increased the annual cash retainer payable to the Chairman of the Corporate Governance and Conflicts Committee from $12,500 to $15,000 and established a $12,500 additional annual cash retainer for the Chairman of the Compensation Committee and a $5,000 additional annual cash retainer for all other members of the Compensation Committee. In addition, as described below, due to delays in filing the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and holding an annual meeting of stockholders during 2017, the Board authorized certain interim cash fees for the members of the Board for the period from May 25, 2017 through August 24, 2017.

In addition, certain of our directors who are not employees of us or SunEdison have been awarded restricted stock units ("RSUs") for shares of our common stock on an annual basis (based on the date of the annual stockholder meeting for each year) in connection with their Board service. RSUs were generally awarded in an amount such that the number of underlying shares of common stock had a total value of $150,000 on the date the award was granted (rounded up to the nearest 100 shares). Due to delays in filing the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, the Company did not hold an annual meeting during 2016. On June 30, 2016, the members of the Board authorized the Company to issue RSUs to the non-employee directors as if the Company's annual meeting of stockholders for 2016 had been held on June 30, 2016. Pursuant to the terms of the RSU award agreements, these RSUs vested in full on May 25, 2017. In addition, certain non-employee directors were elected to the Board after June 30, 2016. These directors were awarded RSUs in an amount such that the number of underlying shares of common stock had a total value of $150,000 on the dates their respective awards were granted (rounded to the nearest 100 shares). Pursuant to the terms of the relevant RSU award agreements, these RSUs also vested in full on May 25, 2017.

Each member of our Board will be indemnified for their actions associated with being a director to the fullest extent permitted under Delaware law.

2016 Director Compensation.

The following table sets forth information about the compensation of each person who served as an outside director during the 2016 fiscal year.

Name	Fees Earned or Paid in Cash($) (1)	Stock Award ($) (2)	Option Awards ($)	Total ($)
Hanif "Wally" Dahya	75,000	156,000	—	231,000
Peter Blackmore	50,000	156,000	—	206,000
Christopher Compton	62,500	156,000	—	218,500
John F. Stark	70,000	156,000	—	226,000
Kerri L. Fox	50,000	149,725	—	199,725
Edward "Ned" Hall	50,000	149,725	—	199,725
Marc S. Rosenberg	50,000	149,725	—	199,725
David Pauker	50,000	150,345	—	200,345
Ahmad Chatila **(3)**	—	—	—	—
Ilan Daskal **(3)**	—	—	—	—
David Ringhofer **(3)**	—	—	—	—
Gregory Scallen **(3)**	—	—	—	—
David Springer **(3)**	—	—	—	—
Martin Truong **(3)**	—	—	—	—
Brian Wuebbels **(3)**	—	—	—	—

(1) The amounts for Messrs. Dahya, Blackmore, Compton and Stark reflect fees paid on July 21, 2016 for Board service as if the Company's annual meeting of stockholders for 2016 had been held on June 30, 2016. The amounts for Messrs. Hall and Rosenberg and Ms. Fox

reflect fees paid on December 9, 2016 for Board service as if the Company's annual meeting of stockholders for 2016 had been held on June 30, 2016 and such directors were members of the Board on such date. The amount for Mr. Pauker reflects fees earned in 2016 but paid on March 8, 2017 for Board service as if the Company's annual meeting of stockholders for 2016 had been held on June 30, 2016 and Mr. Pauker was a member of the Board on such date.

(2) This amount represents the aggregate grant date fair value of the RSUs granted to each director, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation ("FASB ASC Topic 718") and determined by multiplying the number of RSUs granted by the fair market value of the Company's common stock on the grant date.

(3) Messrs. Chatila, Daskal, Ringhofer, Scallen, Springer, Truong and Wuebbels are or were employees of SunEdison at the time of their service on our board of directors and did not receive any additional compensation for service on the Company's Board. Messrs. Springer and Truong resigned from the Board effective December 20, 2016 and August 30, 2016, respectively. Messrs. Daskal and Chatila resigned from the Board effective June 24, 2016 and May 26, 2016, respectively. Mr. Wuebbels resigned as our President and Chief Executive Officer and from his position as a member of the Board effective March 30, 2016.

Director Equity Outstanding at Fiscal Year-End

The following table summarizes equity awards outstanding as of December 31, 2016 for each director.

Name	Stock Awards Number of Shares or Units of Stock That Have Not Vested	Option Awards Number of Securities Underlying Unexercised Options
Hanif "Wally" Dahya	12,000	—
Peter Blackmore	12,000	—
Christopher Compton	12,000	—
John F. Stark	12,000	—
Kerri L. Fox	11,300	—
Edward "Ned" Hall	11,300	—
Marc S. Rosenberg	11,300	—
David Pauker	11,700	—
Ahmad Chatila **(1)**	—	—
Ilan Daskal **(1)**	—	—
David Ringhofer **(1)**	5,120	—
Gregory Scallen **(1)**	2,512	—
David Springer **(1)**	15,834	—
Martin Truong **(1)**	15,434	—
Brian Wuebbels **(1)**	64,834	—

(1) Messrs. Chatila, Daskal, Ringhofer, Scallen, Springer, Truong and Wuebbels were awarded RSUs in their capacity as employees of SunEdison. SunEdison employees do not receive any additional compensation for serving on the Company Board and were not awarded any RSUs for serving in this capacity. The unvested RSUs listed for Messrs. Truong and Wuebbels do not include 1,500 RSUs and 12,500 RSUs, respectively, whose vesting or forfeiture is in dispute and which the Company has not delivered to Messrs. Truong and Wuebbels.

2017 Director Compensation.

Compensation for New Directors and Committee Members

Mr. Fong was elected to the Board effective February 12, 2017. On February 26, 2017, Mr. Fong was appointed as a member of the Conflicts Committee and a member of the Audit Committee. As such, the members of the Board, upon the recommendation of the Compensation Committee, authorized, and the Company subsequently paid Mr. Fong, $50,000 for his board service until the Company’s next annual meeting, $7,500 for his service as a member of the Audit Committee until the Company’s next annual meeting and $5,000 for his service as a member of the Conflicts Committee until the Company’s next annual meeting. Mr. Fong was also awarded 12,800 RSUs at the time of his election to the Board. These RSUs vested in accordance with their terms on May 25, 2017.

On February 3, 2017, the Board established the Compensation Committee and appointed Messrs. Compton, Hall and Stark as the members of the Compensation Committee. Mr. Stark was appointed as the Chairperson of the Compensation Committee. The members of the Board, upon the recommendation of the Compensation Committee, authorized, and the

Company subsequently paid Mr. Stark, $12,500 for his service as the Chairperson of the Compensation Committee until the Company's next annual meeting and each of Messrs. Compton and Hall $5,000 for their respective service as members of the Compensation Committee until the Company's next annual meeting.

Also on February 3, 2017, the Board reconstituted the Conflicts Committee to consist of four members, Ms. Fox and Messrs. Hall, Rosenberg and Pauker. The Conflicts Committee was increased to five members on February 26, 2017, upon the appointment of Mr. Fong as a member of the Conflicts Committee. Mr. Hall was appointed as the Chairperson of the Conflicts Committee. The members of the Board, upon the recommendation of the Compensation Committee, authorized, and the Company subsequently paid Mr. Hall $15,000 for his service as the Chairman of the Conflicts Committee until the Company's next annual meeting and each of Ms. Fox and Messrs. Rosenberg, Pauker and Fong $5,000 for their respective service as members of the Conflicts Committee until the Company's next annual meeting. For purposes of determining the fees described in this section ***Compensation for New Directors and Committee Members***, the Board tentatively assumed that the Company's next annual meeting would occur on May 25, 2017.

Cash Awards for the Period from May 25, 2017 through August 24, 2017 and Thereafter

Due to the delay in filing the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, the Company has not yet held an annual meeting of stockholders for 2017. On June 13, 2017, the members of the Board authorized, and the Company subsequently paid, cash compensation of $50,000 to each of our current directors, Ms. Fox and Messrs. Blackmore, Compton, Dahya, Fong, Hall, Pauker, Rosenberg and Stark, for their board service for the interim period from May 25, 2017 through August 24, 2017. The $50,000 in quarterly cash compensation represented one fourth of the regular annual compensation of $200,000 (cash retainer and RSUs) paid to non-employee directors. In addition, on June 16, 2017 the members of the Board authorized, and the Company subsequently paid, prorated quarterly cash compensation for our directors' service on the relevant committees for the interim period from May 25, 2017 through August 24, 2017. As such, the Company (i) paid Mr. Dahya a fee of $5,000 for his service as the Chairperson of the Audit Committee for such period and each of Messrs. Compton, Stark and Fong a fee of $1,875 for their respective service as members of the Audit Committee for such period, (ii) paid Mr. Hall a fee of $3,750 for his service as the Chairperson of the Corporate Governance and Conflicts Committee for such period and each of Ms. Fox and Messrs. Fong, Pauker and Rosenberg a fee of $1,250 for their respective service as members of the Corporate Governance and Conflicts Committee for such period and (iii) paid Mr. Stark a fee of $3,125 for his service as the Chairperson of the Compensation Committee for such period and each of Messrs. Hall and Compton a fee of $1,250 for their respective service as members of the Compensation Committee for such period. No RSUs were awarded for the directors' service during this interim period.

In light of the pendency of the Sponsorship Transaction, the Board's current intention is to continue to make quarterly cash payments to directors in the same amounts as were approved on May 25, 2017, on each quarterly anniversary of that date, and not to award additional RSUs.

Item 11. Executive Compensation.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

In this section we provide an explanation and analysis of the material elements of the compensation for our named executive officers for the 2016 fiscal year. Except as noted herein, such compensation was determined by our controlling stockholder, SunEdison, rather than by the Board and Conflicts Committee of the Company. The purpose of this discussion is to provide context for the presentation of the specific compensation paid to our named executive officers, as shown in the tables and narrative disclosure that follow. During the fiscal year ended December 31, 2016, there were six individuals who served as named executive officers of the Company. Mr. Brian Wuebbels served as our President and Chief Executive Officer until his resignation on March 30, 2016. In connection with Mr. Wuebbels' resignation, the Board delegated all of the powers, authority and duties vested in the President and Chief Executive Officer to our Chairman of the Board, Mr. Peter Blackmore. From March 30, 2016 until April 21, 2016, Mr. Blackmore served as the chairman of the Office of the Chairman. On April 21, 2016, the Board dissolved the Office of the Chairman and Mr. Blackmore was appointed as our Interim Chief Executive Officer. On June 30, 2016 Mr. Thomas Studebaker was appointed as our Chief Operating Officer and Mr. David Rawden was appointed as our Interim Chief Accounting Officer. For all of 2016, Ms. Rebecca Cranna served as our Executive Vice President and Chief Financial Officer and Mr. Sebastian Deschler served as our Senior Vice President, General Counsel and Secretary.

Background to our 2016 Named Executive Officer Compensation

We did not employ any of our named executive officers until December 2016. Instead, except for our Chairman and Interim Chief Executive Officer, our named executive officers were employed and compensated by our controlling stockholder, SunEdison, or a subsidiary of SunEdison or, in the case of our Chief Operating Officer and our Interim Chief Accounting Officer, by a third-party consulting company. While certain of our named executive officers became employees of the Company in December of 2016, the Company did not pay any cash compensation to such named executive officers until January 2017, except for certain retention payments described further below. The ultimate responsibility and authority for compensation-related decisions for our named executive officers who were employees of SunEdison resided with the SunEdison compensation committee or the chief executive officer of SunEdison, as applicable, and any compensation decisions were not subject to any approvals by our Board or any committees thereof. Moreover, because we are a controlled company under Nasdaq Rule 5615(c), we were not required to establish a compensation committee.

In light of perceived financial difficulties at SunEdison, we began developing a contingency operating plan in January 2016. On February 27, 2016, the Company engaged AlixPartners, LLP (“AlixPartners”) to provide financial advisory and consulting services to the Conflicts Committee. SunEdison filed for bankruptcy on April 21, 2016. In May 2016, following the SunEdison Bankruptcy, we initiated a strategic review process which included, among other things, a review of the executive compensation previously determined by SunEdison and the exploration of a retention program for key employees, including our senior management. On June 30, 2016, our Board determined that it was in the best interest of the Company for the compensation of our executive officers to be determined by an independent committee of the Board and delegated the power and authority of the Board with respect to compensation for executive officers, including relating to base compensation, bonuses, merit adjustments, annual incentive compensation, awards of restricted stock units and equity-based compensation, to our Conflicts Committee. On August 29, 2016, the Board determined that the Conflicts Committee may be treated as the Company’s ‘compensation committee’ for disclosure purposes with respect to the year ended December 31, 2016 to the extent the Conflicts Committee exercised authority with respect to certain compensation matters during the 2016 fiscal year. On February 3, 2017, the Board created and designated our Compensation Committee. However, our Compensation Committee was created after the end of the 2016 fiscal year and thus was not responsible for, and did not participate in, the determination of compensation for our named executive officers in 2016. The Conflicts Committee's determinations of compensation for our named executive officers in 2016 were made prior to the reconstitution of the Conflicts Committee on February 3, 2017.

Compensation Philosophy and Objectives for 2016

The objective of our executive compensation for 2016 was principally to retain and motivate our senior executives following the SunEdison Bankruptcy. Our payment of equity-based compensation was designed to incentivize our senior executives to preserve and defend stockholder value in light of potential claims against the Company in the SunEdison Bankruptcy and the uncertainty and operational challenges we faced as we transitioned away from reliance on SunEdison for management, corporate and accounting services, employees, critical systems and information technology infrastructure, and the operation, maintenance and asset management of our renewable energy facilities. Our payment of equity-based compensation was also designed to ultimately incentivize our senior executives to maximize stockholder value through our exploration of strategic alternatives. In addition, our senior executives are rewarded for the accomplishment of corporate strategic objectives and the accomplishment of individual goals through the payment of discretionary cash bonuses.

Details of the Elements of Our Named Executive Officer’s 2016 Compensation

Mr. Wuebbels

All 2016 compensation for Mr. Wuebbels was determined prior to the SunEdison Bankruptcy by our controlling stockholder, SunEdison, or a subsidiary of SunEdison. The ultimate responsibility and authority for the compensation-related decisions for Mr. Wuebbels resided with the SunEdison compensation committee or the chief executive officer of SunEdison, as applicable, and any compensation decisions for Mr. Wuebbels were not subject to any approvals by our Board or any committees thereof. As such, this Compensation and Discussion Analysis does not include a discussion of the elements of 2016 compensation for Mr. Wuebbels.

Mr. Blackmore

Mr. Blackmore does not receive compensation for his service as our Interim Chief Executive Officer. All compensation disclosed for Mr. Blackmore in our 2016 Summary Compensation Table represent fees or RSUs awarded to Mr. Blackmore for his service as a member of our Board. Because Mr. Blackmore does not receive compensation for his service as our Interim Chief Executive Officer, this Compensation and Discussion Analysis does not include a discussion of the elements of 2016 compensation for Mr. Blackmore.

Messrs. Studebaker and Rawden

Messrs. Studebaker and Rawden were appointed to serve as our Chief Operating Officer and Interim Chief Accounting Officer, respectively, pursuant to an engagement letter (the "Engagement Letter") between the Company and AP Services, LLC ("APS"), an affiliate of AlixPartners. Pursuant to the terms of the Engagement Letter, the Company compensates APS for its services and reimburses APS for its expenses, with an hourly rate of $950 as compensation for the performance of Mr. Studebaker as Chief Operating Officer and an hourly rate of $830 as compensation for the performance of Mr. Rawden as Interim Chief Accounting Officer. APS may also receive a discretionary success fee determined by the Chief Executive Officer of the Company based on the outcome of the engagement and the Chief Executive Officer's view of the Chief Operating Officer and Interim Chief Accounting Officer's performance. The success fee is expected to be in the range of $1 million to $2 million for good or expected performance, with the possibility of additional amounts paid for exceptional performance. The Company may also be obligated to pay APS a break fee of $1 million if the engagement of APS or the services of Mr. Studebaker are terminated under certain circumstances.

From the time of Mr. Rawden and Mr. Studebaker's appointment as officers of the Company in June of 2016 through the end of the fiscal year ended December 31, 2016, Mr. Rawden accrued $616,897.50 in fees for services billed to the Company and Mr. Studebaker accrued $652,697.50 in fees for services billed to the Company. Messrs. Studebaker and Rawden are not directly compensated by the Company. Messrs. Studebaker and Rawden are not employees of the Company and do not receive a salary or any equity-based compensation from the Company and are not eligible for any retention payments, benefits or severance offered by the Company to its employees or senior executives, except for the break fee payable to APS under certain circumstances as described above.

Ms. Cranna and Mr. Deschler

Base Salary

The payment of a base salary enables us to attract and retain executives by establishing minimum compensation levels. Given the uncertainty surrounding the Company following the SunEdison Bankruptcy, we determined that a portion of the 2016 compensation of our named executive officers should be paid in cash to ensure retention of our senior management.

The 2016 base salaries of Ms. Cranna and Mr. Deschler and certain perquisites of Mr. Deschler were originally determined by the SunEdison compensation committee and the chief executive officer of SunEdison. However, following the SunEdison Bankruptcy, the Conflicts Committee asked a third party advisor to review the base salary paid to Ms. Cranna and Mr. Deschler. In April 2016, this third party advisor engaged in a benchmarking process that compared the compensation of similarly-leveled roles at twelve peer competitors that had public information available for executive compensation. The peer group consisted of yieldcos, MLPs and other similar energy companies. The twelve companies included in the peer group were 8point3 Energy Partners, Algonquin Power & Utilities Corp, Atlantic Power Corp, Boralex Inc, BreitBurn Energy Partners LP, Capital Power Corp, Legacy Reserves LP, Natural Resource Partners LP, NextEra Partners, Northland Power Inc., NRG Yield and Pattern Energy. The third party advisor reviewed the market capitalization, revenue, EBITDA and operating cash flow of the peer group and determined that TerraForm Power's corresponding financial metrics fell within those of the peer group. The third party advisor determined that Ms. Cranna and Mr. Deschler's base salaries were within the range of publicly disclosed base salaries for similarly leveled roles at the peer group. The Company's human resources department also reviewed certain benchmarking data that was made available from Aon Hewitt to analyze geographical variances in peer compensation. Based on this analysis and the Conflict Committee's individual review of the compensation levels, the Conflicts Committee determined that the 2016 base salary of Ms. Cranna and Mr. Deschler and certain perquisites of Mr. Deschler should remain generally unchanged from the amounts initially determined by SunEdison, which is reflected in the compensation arrangements described further below.

2016 Retention Payments

Because of its financial difficulties and the resulting Bankruptcy, SunEdison, as the Company's controlling stockholder, did not pay bonuses to our named executive officers or any other employees for their services performed for the Company during 2015. In light of this failure and the importance of retaining and motivating key personnel, the Company, in April 2016 approved the grant of retention cash awards to Ms. Cranna and Mr. Deschler, among others. Ms. Cranna received a retention award of $299,361 and Mr. Deschler received a retention award of $216,930. The retention payments were payable in cash and vested in equal installments on May 31, 2016, September 30, 2016 and March 31, 2017. The amounts presented in the 2016 Summary Compensation Table reflect the vesting and payment of the first two installments of the retention payments. The third installment of the 2016 retention payment for Ms. Cranna and Mr. Deschler vested on March 31, 2017 and was paid out thereafter.

Equity-Based Compensation

The payment of equity-based compensation aligns the incentives of our senior management and our stockholders. During 2016, the payment of equity-based compensation provided incentives to Ms. Cranna and Mr. Deschler to preserve stockholder value in the aftermath of the SunEdison Bankruptcy. On October 26, 2016, the Conflicts Committee determined that certain key employees, including Ms. Cranna and Mr. Deschler, should be granted equity-based compensation. The equity-based compensation was granted in the form of RSUs which vest upon a time-based schedule. Pursuant to this schedule, the RSUs will vest 25% on the first and second anniversary of the grant date and 50% on the third anniversary of the grant date. As has been the general practice of the Company when granting RSUs, under the terms of the relevant RSU Award Agreements, these RSUs will vest in full upon a change in control. The Conflicts Committee determined this vesting schedule created appropriate long-term incentives for senior management while balancing the need to retain key personnel.

In determining the amount of equity-based compensation paid to Ms. Cranna and Mr. Deschler, the Conflicts Committee reviewed benchmarking data based on researched best practices and how similar sized companies handle annual equity grants.

On November 18, 2016, the Company awarded Ms. Cranna 8,528 RSUs worth $116,151 based on the closing price of TerraForm Power's Class A common stock on that day, and Mr. Deschler 6,180 RSUs worth $84,172 based on the closing price of TerraForm Power's Class A common stock on that day, all under the Company's 2014 Second Amended and Restated Long-Term Incentive Plan. Based upon the closing stock price of TerraForm Power, Inc.'s Class A common stock on December 31, 2016, the accelerated vesting of these RSUs would result in a payment of $109,243.68 to Ms. Cranna and a payment of $79,165.80 to Mr. Deschler. As described under "*Potential Payment Upon Termination or Change in Control*" below, based upon a valuation of the acceleration of Ms. Cranna and Mr. Deschler's outstanding RSAs and RSUs calculated based on the closing price on December 31, 2016 of SunEdison common stock, TerraForm Power, Inc. Class A common stock and TerraForm Global, Inc. Class A common stock, as applicable, Ms. Cranna would be entitled to $1,552,239 upon a change in control and Mr. Deschler would be entitled to $1,671,375. The actual amount received by Ms. Cranna and Mr. Deschler upon the sale of shares received under RSAs and RSUs would depend on the actual market value at the time of such sale.

Letter Agreements Regarding Accelerated Vesting

In July 2016, each of the Company and TerraForm Global entered into a letter agreement with each of Ms. Cranna and Mr. Deschler (collectively, the "July 2016 Letter Agreements"), which provide for accelerated vesting of RSAs and RSUs upon the occurrence of certain events. Pursuant to the July 2016 Letter Agreements, if either Ms. Cranna or Mr. Deschler, as applicable, had been terminated by SunEdison without cause or had resigned for good reason and had not received an offer of employment at either the Company or TerraForm Global in an equivalent position and with equivalent compensation, or, following a transition of her or his employment to either the Company or TerraForm Global, is terminated by the Company or TerraForm Global, as applicable, without cause or resigns for good reason, then 100% of her or his unvested RSAs and RSUs in each of the Company and TerraForm Global, Inc. will immediately vest, contingent upon the execution of a separation and release of claim agreement.

In addition, pursuant to the July 2016 Letter Agreements, if Ms. Cranna or Mr. Deschler, as applicable, becomes an employee of TerraForm Power, and remains an employee of TerraForm Power at the time that TerraForm Power ceases to be an affiliate of TerraForm Global, then all of their unvested RSAs and RSUs in TerraForm Global, Inc. will immediately vest. Mr. Deschler, although not an officer of TerraForm Global, was granted such awards when he was an employee of SunEdison, in recognition of services he performed in support of TerraForm Global's initial public offering and operations prior to and after such initial public offering. If Ms. Cranna and Mr. Deschler, as applicable, becomes an employee of TerraForm Global, and remains an employee of TerraForm Global at the time that TerraForm Global ceases to be an affiliate of TerraForm Power, then all of their unvested RSAs and RSUs in TerraForm Power, Inc. will immediately vest.

In December 2016, the July 2016 Letter Agreements were updated to apply to any RSU grants made by the Company to Mr. Deschler, and by the Company and TerraForm Global to Ms. Cranna, subsequent to the execution of the July 2016 Letter Agreements.

Letter Agreements Regarding Compensation and Severance

On August 25, 2016, the Company entered into a letter agreement with Mr. Deschler with respect to certain severance and compensation terms (the "August 25 Letter Agreement"). TerraForm Global was also a party to the August 25 Letter Agreement with respect to its agreement to have the August 25 Letter Agreement assigned to it if Mr. Deschler later became employed by TerraForm Global. On August 30, 2016, the Company entered into a letter agreement with Ms. Cranna with respect to similar severance and compensation terms (the “August 30 Letter Agreement” and together with the August 25 Letter Agreement, the “August Letter Agreements”). TerraForm Global was also a party to the August 30 Letter Agreement with respect to its agreement to (a) share the financial obligations of the Company if Ms. Cranna later became employed by the Company but performed duties for both the Company and TerraForm Global and (b) have the August 30 Letter Agreement assigned to TerraForm Global if Ms. Cranna had later become employed solely by TerraForm Global, Inc. The Company and TerraForm Global later decided to split equally the costs of Ms. Cranna's compensation and benefits (other than any equity compensation, the cost of which is being born by the relevant entity that grants such equity compensation).

On December 12, 2016 and December 20, 2016, each of Ms. Cranna and Mr. Deschler entered into further letter agreements with TerraForm Power, that clarified the conditions for bonuses for 2016, and pursuant to which they accepted offers of at-will employment by the Company, effective as of December 18, 2016 (each, an "Employment Letter Agreement," and jointly with the August Letter Agreements, the "Letter Agreements"). The Letter Agreements provide as follows, in each case subject to additional terms and conditions contained in the Letter Agreements and, in the case of Ms. Cranna, the agreement regarding cost splitting between the Company and TerraForm Global described above if Ms. Cranna performs duties for both the Company and TerraForm Global and a commitment by TerraForm Global to have the letter agreement assigned to it if Ms. Cranna is employed solely by TerraForm Global.

- The Company agreed to pay a base salary of $401,145 annualized for Ms. Cranna and $290,686 annualized for Mr. Deschler. In addition, the Company will reimburse Mr. Deschler for his two daughters’ school fees in an amount up to $20,000 per year for each daughter, and will gross-up any such reimbursement amount for taxes withheld on such reimbursements.

- If the applicable officer is terminated without cause, resigns for good reason or dies, the officer is eligible to receive a lump-sum cash severance of one year of base salary and a payment equal to 12 months of COBRA health premiums, conditioned upon the executive officer executing a release of claims agreement in favor of the Company and meeting her or his obligations under any restrictive covenant agreements benefitting the Company. “Good reason” under the Letter Agreements includes a material adverse change in the executive officer’s reporting relationship, authority, duties or responsibilities; any material reduction in base salary or any materially adverse change in the percentage of base salary used to determine annual bonus opportunities; or a relocation to an office more than 50 miles from the executive officer’s office immediately prior to such relocation (unless such new location is closer to the executive officer’s residence at the time of such relocation).

- The officer is eligible to participate in an annual variable incentive plan (the “Bonus Plan”) of the Company. The target under the Bonus Plan for Mr. Deschler is 50% of his base salary, with a maximum of 100%. The target under the Bonus Plan for Ms. Cranna is 60% of her base salary, with a maximum of 120%.

- For the 2016 bonus, given the special challenges facing the Company, such officers were also eligible for an additional discretionary bonus, with a target of 12.5% and a maximum of 25% of base salary, depending on performance.

An estimate of the value of the payments described above that would be payable to the Company’s named executive officers under their severance letter agreements in connection with a qualifying termination of employment as of December 31, 2016, is provided under “*Potential Payment Upon Termination or Change in Control*” below.

The Company entered into the letter agreements described above to encourage Ms. Cranna and Mr. Deschler to remain employed by SunEdison or, if applicable, the Company or TerraForm Global despite the uncertainty caused by the SunEdison Bankruptcy.

Non-Equity Incentive Plan Compensation

The payment of a discretionary bonus allows the Company to incentivize and reward our senior management for achieving certain corporate performance targets and allowed the Company to retain key personnel following the SunEdison Bankruptcy.

As described above, pursuant to the terms of the Letter Agreements, Ms. Cranna and Mr. Deschler were eligible to participate in a newly formed Bonus Plan of the Company as of January 1, 2016. To arrive at the 2016 annual bonus payout amounts for Ms. Cranna and Mr. Deschler, a target annual incentive of 60% of 2016 base salary for Ms. Cranna and 50% of 2016 base salary for Mr. Deschler was multiplied by an individual payout factor. Each individual payout factor was based on a combination of corporate performance and individual performance. For each of Ms. Cranna and Mr. Deschler, corporate performance was assigned a weighting of 70% of the total payout factor for each of Ms. Cranna and Mr. Deschler and individual performance was assigned a weighting of 30% of the total payout factor for Ms. Cranna and Mr. Deschler. A similar calculation was performed using a target of 12.5% of the relevant base salary for the additional discretionary bonus. The relative weighting of corporate performance and individual performance allowed the Company to reward individual achievements and link executive compensation to Company performance. In determining the components of the bonuses paid to Ms. Cranna and Mr. Deschler under the Bonus Plan, the Conflicts Committee reviewed benchmarking data provided from a third party and considered the historical bonus levels set by SunEdison, the appropriate weighting between cash and equity compensation and total compensation levels.

Management identified and developed corporate performance measures for 2016 in conjunction with the Company's human resources professionals. These corporate performance measures were subsequently approved by the Company's Conflicts Committee. For 2016, the selected corporate performance measures and target goals were designed to achieve strategic objectives following the SunEdison Bankruptcy. For 2016, the Company had five target corporate measures, each of which had an equal 20% weighting. The five target corporate measures are described in the following table and were reviewed and approved by the Conflicts Committee on January 3, 2017:

Company Measures	Targets	2016 Weighting	Max Payout	Actual Performance as of January 3, 2017	Payout Results
Remove Overhangs	Regain compliance with NASDAQ, SEC and debt agreements	20%	Complete audits by: 10-K: 8/31/2016 Q1: 9/30/2016 Q2: 10/31/2016 Q3: 11/31/2016	Maintain compliance with NASDAQ and debt agreements. Filed 10K and 10Qs for 1Q 2016, 10Qs for 2Q 2016 and 3Q 2016 will be filed in January/ February (reached target)	150%
Fleet Performance	Operating Performance Ratio (OPR) >98.0%	20%	OPR of > 103.0% with pro-rata above Target	OPR through 11/22/2016: 98.3% (above target)	102%
Profitability	Meet AOP Gross Profit Margin of 76.3%	20%	Gross Profit Margin of 82.0% with pro-rata above Target	Estimate Full Year GPM of 76.6% (above target)	106%
Liquidity	Minimum of $250M of liquidity, satisfy debt requirements and close Canada re-financing and UK sale	20%	Achieve all metrics	Unrestricted cash: $479M Close Canada Financing - Closed & Funded CAD $120M UK Sale - Agreements to be signed 1/5/2017 (above target)	200%
Employee Engagement	Coaching and Feedback: 10% improvement based on employee surveys Career Development: 80% of employees complete and track development plan Retention: >80% of top performers	20%	Coaching and Feedback: 20% improvement Career Development: 100% completion and tracking Retention: 95% of top performers	Coached TERP personnel and provided feedback on career development All TERP personnel have received offers (working on GAM wave 2) Held company picnic for team building outside of office (above target)	200%

Based on these results, the Conflicts Committee approved a total Company rating of 151.6% of target bonus compensation on January 3, 2017.

Our Chairman and Interim Chief Executive Officer determined an individual performance measure of 100% of target bonus compensation for Ms. Cranna and 125% of target bonus compensation for Mr. Deschler. Based on the corporate measures described above and these individual performance measures, Ms. Cranna achieved an individual and corporate performance rating that resulted in a bonus of approximately 94% of Ms. Cranna's base compensation, which bonus equaled $376,498, payable in cash. Based on the Company's achievement of the corporate measures described above and additional individual performance measures, our Chairman and Interim Chief Executive Officer determined that Mr. Deschler achieved an individual and corporate performance rating that resulted in a bonus of approximately 92% of Mr. Deschler's base compensation, which bonus equaled $268,536, payable in cash.

Qualified Retirement Benefits

During 2016, Ms. Cranna and Mr. Deschler participated in SunEdison's 401(k) plan, which is a broad-based tax-qualified retirement plan. Consistent with other participants in the SunEdison 401(k) plan, Ms. Cranna and Mr. Deschler are eligible to make pre-tax, and "Roth" after-tax, 401(k) contributions to the SunEdison 401(k) plan and receive a percentage of individual contributions plus a defined contribution from SunEdison, subject to certain limitations. For fiscal 2016, Ms. Cranna received a contribution of $12,936. For fiscal 2016, Mr. Deschler received a contribution of $16,430.

Perquisites

As discussed under *Letter Agreements Regarding Compensation and Severance* above, the Company has agreed to reimburse Mr. Deschler for his two daughters' school fees in an amount up to $20,000 per year for each daughter. The Company will gross-up any such reimbursement amount for taxes withheld on such reimbursements. No reimbursements were made during 2016, as part of the relevant fees had been covered in 2015, and the remainder was covered in 2017. Because no reimbursements were paid or received during 2016, the 2016 Summary Compensation Table does not reflect any such reimbursements. A similar reimbursement arrangement was originally provided by SunEdison and the Company determined that it was an appropriate perquisite to continue to include in Mr. Deschler's overall 2016 compensation in light of Mr. Deschler's total compensation and the allocation of Mr. Deschler's total compensation between equity and non-equity based payments.

Ms. Cranna and Mr. Deschler also participate in our medical and dental program and receive life insurance and long-term disability insurance coverage. In general, these programs are consistent with programs made available to all of our employees.

Our named executive officers also receive certain other perquisites which have little or no incremental cost to us.

Other Items

In November 2016, the Company issued offers of employment with the Company to Ms. Cranna and Mr. Deschler. Ms. Cranna and Mr. Deschler became direct employees of the Company effective December 18, 2016. Pursuant to the terms of the Letter Agreements, if either Ms. Cranna or Mr. Deschler is terminated without cause, resigns for good reason or dies, they are eligible to receive a lump-sum cash severance of one year of base salary and a payment equal to 12 months of COBRA health premiums.

Other Factors Affecting Compensation

Generally, Section 162(m) of the Internal Revenue Code prevents a company from receiving a federal income tax deduction for compensation paid to the chief executive officer and the next three most highly compensated officers (other than the chief financial officer) in excess of $1 million for any year, unless that compensation is performance-based. Taxable compensation paid by the Company to the chief executive officer and the next three highly compensated officers (other than the chief financial officer) was not in excess of $1 million in the fiscal year ended December 31, 2016. If deemed necessary or appropriate in the future, the Company will endeavor to structure its compensation policies to qualify as performance-based under Section 162(m) of the Internal Revenue Code. Nonetheless, from time to time certain nondeductible compensation may be paid and the Board and the Compensation Committee reserve the authority to award nondeductible compensation to executive officers in appropriate circumstances.

Stockholder Advisory Vote on Executive Compensation

The Company has not previously been required to hold a nonbinding say on pay vote in which stockholders can approve the compensation of our named executive officers. The Company has also not previously been required to hold a stockholder advisory vote on the frequency of holding the say on pay vote. The Company expects that both the nonbinding, advisory say on pay vote and the nonbinding, advisory, vote on the frequency of the say on pay vote will be held at the Company's next annual meeting of stockholders.

REPORT OF THE CONFLICTS COMMITTEE

Our Board has determined that our Conflicts Committee may be treated as the Company's 'compensation committee' for disclosure purposes with respect to the year ended December 31, 2016. Our Compensation Committee was created after the end of the 2016 fiscal year and was not responsible for, and did not participate in, the determination of compensation for our named executive officers in 2016.

The Conflicts Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on such review and discussions, the Conflicts Committee recommended to the Board that the Compensation Discussion and Analysis be included in this annual report.

THE CONFLICTS COMMITTEE

Edward Hall, Chairman
Christian Fong
Kerri Fox
David Pauker
Marc Rosenberg

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of the current members of the Conflicts Committee or the Compensation Committee is, or was at any time, an officer or employee of the Company or any of its subsidiaries. With the exception of Mr. Blackmore, our Chairman and Interim Chief Executive Officer, none of the Company's executive officers serves or has served on the Board, Conflicts Committee or Compensation Committee of any entity that has one or more executive officers serving on our Board, Conflicts Committee or Compensation Committee during the most recently completed fiscal year.

Summary of Executive Compensation

Summary Compensation Table

The following table presents summary information concerning 2016 compensation awarded or paid to, or earned by: (i) each individual that served as the Company's Chief Executive Officer during 2016; (ii) each individual that served as the Company's Chief Financial Officer during 2016; and (iii) each of the other three most highly compensated executive officers for the year 2016 who were serving as executive officers as of December 31, 2016 (collectively, such persons were the "named executive officers" for the Company for 2016).

Name and Principal Positions as of 12/31/2016	Year	Salary ($)(1)	Retention Bonus ($) (12)	Stock Awards ($)(2)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($) (3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation ($)	Total ($)
Peter Blackmore **(4)** Chairman & Interim Chief Executive Officer	2016	—	—	321,168 **(5)**	—	—	—	100,000 **(6)**	421,168
Rebecca Cranna **(8)**	2016	412,067	199,574	224,198 **(5)**	—	376,498 **(14)**	—	12,936 **(7)**	1,225,273
Executive Vice President and Chief Financial Officer	2015	328,713	—	1,296,119 **(5)**	—	—	—	15,484 **(7)**	1,640,316
	2014	108,630	—	4,333,150 **(5)**	—	64,288 **(3)**	—	2,000 **(7)**	4,508,068
Sebastian Deschler	2016	308,474	144,620	162,464 **(5)**	—	268,536 **(14)**	—	16,430 **(7)**	900,524
Senior Vice President, General Counsel and Secretary	2015	287,038	—	309,168 **(5)**	—	—	—	20,030 **(7)**	616,236
	2014	256,667	—	94,453 **(5)**	—	175,560 **(3)**	—	11,502 **(7)**	538,182
Thomas Studebaker **(9)(10)** Chief Operating Officer	2016	—	—	—	—	—	—	1,305,395 **(9)**	1,305,395
David Rawden **(9)(11)** Interim Chief Accounting Officer	2016	—	—	—	—	—	—	1,233,795 **(9)**	1,233,795
Brian Wuebbels **(8)(13)**	2016	234,850	—	—	—	—	—	14,318 **(7)**	249,168
President and Chief Executive Officer	2015	489,655	—	3,440,373 **(5)**	—	—	—	35,000 **(7)**	3,965,028
	2014	455,000	—	1,908,000 **(5)**	—	682,500 **(3)**	—	16,043 **(7)**	3,061,543

(1) Amounts shown include (a) cash compensation earned and received, (b) cash compensation earned but deferred at the election of the executive officer under the SunEdison Retirement Savings Plan and (c) cash received in exchange for earned but unused paid time off.

(2) All option awards reflected in the table are non-qualified stock options and all stock awards reflected in the table are Restricted Stock Units or Restricted Stock Awards, in each case, issued under the SunEdison, Inc. 2010 Amended and Restated Equity Incentive Plan, the SunEdison, Inc. 2015 Long-Term Incentive Plan, the TerraForm Power, Inc. 2014 Second Amended and Restated Long-Term Incentive Plan or the TerraForm Global, Inc. 2014 Long-Term Incentive Plan. For a detailed description of the individual Restricted Stock Units or Restricted Stock Awards awarded under these plans, please see "*Outstanding Equity Awards at Fiscal Year-End*" below. The dollar amounts shown for stock awards and option awards represent the aggregate grant date fair value with respect to fiscal years 2016, 2015 and 2014 in accordance with the applicable Accounting Standard Codification 718, Stock Compensation, excluding the effect of forfeitures related to service-based conditions. These amounts do not reflect whether the named executive officers have actually realized or will realize a financial benefit from the awards. For information on the assumptions used to calculate the value of the awards, refer to *Note 2* to consolidated financial statements in this annual report on Form 10-K.

(3) These amounts were awarded for fiscal 2014 under SunEdison, Inc. annual incentive plan for executive officers.

(4) Mr. Blackmore joined the Company's Board and became its Chairman on November 20, 2015. He served as the chairman of the Office of the Chairman from March 30, 2016 until April 21, 2016 whereupon the Board dissolved the Office of the Chairman and Mr. Blackmore was appointed as Interim Chief Executive Officer in addition to his role as Chairman of the Board.

(5) Represents shares and units granted under the SunEdison 2010 Amended and Restated Equity Incentive Plan, the TerraForm Power, Inc. Long-Term Incentive Plan and the Terraform Global, Inc. Long-Term Incentive Plan. For a detailed description of the individual Restricted Stock Units or Restricted Stock Awards awarded under these plans, please see "*Outstanding Equity Awards at Fiscal Year-End*" below.

(6) Represents cash fees paid to Mr. Blackmore for his service as a director for the Company and TerraForm Global, Inc. Mr. Blackmore does not receive additional cash or equity compensation for his service as the Interim Chief Executive Officer of the Company or Terraform Global, Inc.

(7) Amount shown is contribution by SunEdison to the SunEdison Retirement Savings Plan.

(8) These individuals split their time evenly between the Company and TerraForm Global, Inc. The cash compensation received by each of these individuals reflects the total cash compensation received for services provided to the Company and to TerraForm Global, Inc. Beginning in 2017, Ms. Cranna is an employee of TerraForm Power, Inc. and is compensated directly by the Company.

However, pursuant to the August 30 Letter Agreement, TerraForm Global, Inc. will reimburse the Company for 50% of the cash compensation paid by the Company to Ms. Cranna.

(9) Pursuant to the Engagement Letter, the Company compensates AlixPartners, LLC for its services and reimburses AlixPartners, LLC for its expenses, with an hourly rate of $950 as compensation for the performance of Mr. Studebaker as Chief Operating Officer and an hourly rate of $830 as compensation for the performance of Mr. Rawden as Interim Chief Accounting Officer. Represents amounts paid for their services to the Company and TerraForm Global, Inc. from the time of their appointment (July 2016) through the end of the fiscal year. During such period, Mr. Rawden accrued $616,897.50 in fees for services billed to the Company and Mr. Studebaker accrued $652,697.50 in fees for services billed to the Company.

(10) Mr. Studebaker is a Managing Director in AlixPartners, LLPs' Turnaround & Restructuring practice. He was appointed Chief Operating Officer effective on July 7, 2016.

(11) Mr. Rawden is a Director in AlixPartners' Turnaround and Restructuring practice. He was appointed Interim Chief Accounting Officer effective on July 7, 2016.

(12) In April 2016, the Company approved retention cash awards to select executives. The awards vest in equal installments on May 31, 2016, September 30, 2016 and March 31, 2017. Amounts represent the first two installments that vested and were paid out in 2016.

(13) Mr. Wuebbels resigned as President and Chief Executive Officer and Director of the Company on March 30, 2016.

(14) These amounts were awarded for fiscal 2016 under TerraForm Power, Inc.'s Bonus Plan.

Grants of Plan-Based Awards

The following table sets forth plan-based awards to the named executive officers during 2016.

		Estimated Future Payouts Under Non-equity Incentive Plan Awards ($)						
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**All Other Stock Awards: Number of Shares of Stock or Units (#)**	**All Other Option Awards: Number of Securities Underlying Options (#)**	**Exercise or Base Price of Option Awards ($/Sh)**	**Grant Date Fair Value of Stock and Option Awards ($)**
Peter Blackmore	7/25/2016	—	—	—	12,000 **(1)**	—	—	156,000
	7/25/2016	—	—	—	44,400 **(2)**	—	—	165,168
								321,168
Rebecca Cranna	—	—	290,830 **(3)**	581,660 **(4)**	—	—	—	—
	11/18/2016	—	—	—	8,528 **(1)**	—	—	110,779
	11/18/2016	—	—	—	29,847 **(2)**	—	—	113,419
								224,198
Sebastian Deschler	—	—	181,679 **(5)**	363,358 **(6)**	—	—	—	—
	11/18/2016	—	—	—	6,180 **(1)**	—	—	80,278
	11/18/2016	—	—	—	21,628 **(2) (7)**	—	—	82,186
								162,464
David Rawden	—	—	—	—	—	—	—	—
Thomas Studebaker	—	—	—	—	—	—	—	—
Brian Wuebbels	—	—	—	—	—	—	—	—

(1) Represents grants made under the TerraForm Power, Inc. 2014 Long-Term Incentive Plan.

(2) Represents grants made under the Terraform Global, Inc. 2014 Long-Term Incentive Plan.

(3) Represents 60% of 2017 base salary and 12.5% additional discretionary bonus target as described above in "*Letter Agreements Regarding Compensation and Severance*." Pursuant to the terms of the August 30 Letter Agreement, TerraForm Global, Inc. will reimburse the Company for 50% of the cash compensation paid by the Company to Ms. Cranna.

(4) Represents 120% of 2017 base salary and 25% additional discretionary bonus maximum as described above in "*Letter Agreements Regarding Compensation and Severance*." Pursuant to the terms of the August 30 Letter Agreement, TerraForm Global, Inc. will reimburse the Company for 50% of the cash compensation paid by the Company to Ms. Cranna.

(5) Represents 50% of 2017 base salary and 12.5% additional discretionary bonus target as described above in "*Letter Agreements Regarding Compensation and Severance*."

(6) Represents 100% of 2017 base salary and 25% additional discretionary bonus maximum as described above in "*Letter Agreements Regarding Compensation and Severance*."

(7) Ms. Deschler, although not an officer of TerraForm Global, was granted such awards when he was an employee of SunEdison, in recognition of services he performed in support of TerraForm Global's initial public offering and operations prior to and after such initial public offering.

Outstanding Equity Awards at Fiscal Year-End

The following table presents information regarding outstanding equity awards held by the named executive officers of the Company at December 31, 2016.

	Option Awards					Stock Awards				
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date (1)**	**Grant Date of Stock Award**	**Number of Shares or Units That Have Not Vested (#)**	**Market Value of Shares or Units That Have Not Vested ($) (2)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Peter Blackmore	—	—	—	—	—	7/25/2016	12,000 **(3)**	153,720	—	—
	—	—	—	—	—	7/25/2016	44,400 **(4)**	175,380	—	—
Rebecca Cranna	—	—	—	—	—	9/1/2014	60,000 **(6)**	768,600	—	—
	—	—	—	—	—	9/1/2014	8,250 **(5)**	578	—	—
	—	—	—	—	—	3/2/2015	750 **(7)**	53	—	—
	—	—	—	—	—	3/2/2015	4,000 **(8)**	280	—	—
	—	—	—	—	—	3/10/2015	510 **(9)**	6,533	—	—
	—	—	—	—	—	3/10/2015	1,814 **(10)**	23,237	—	—
	—	—	—	—	—	3/31/2015	67,068 **(11)**	264,919	—	—
	—	—	—	—	—	10/15/2015	18,750 **(7)**	1,313	—	—
	—	—	—	—	—	12/22/2015	60,750 **(12)**	4,253	—	—
	—	—	—	—	—	12/22/2015	13,500 **(6)**	172,935	—	—
	—	—	—	—	—	12/23/2015	22,500 **(13)**	88,875		
	—	—	—	—	—	11/18/2016	8,528 **(6)**	109,244	—	—
	—	—	—	—	—	11/18/2016	29,847 **(13)**	117,896	—	—
Sebastian Deschler	667	—	—	2.77	8/20/2019	7/18/2013	1,875 **(7)**	131	—	—
	1,001	—	—	2.77	8/20/2019	1/31/2014	69,451 **(6)**	889,667	—	—
	2,500	—	—	3.45	4/25/2022	3/31/2015	134,137 **(11)**	529,841	—	—
	7,500	3,750	—	9.58	7/18/2023	12/22/2015	4,500 **(6)**	57,645	—	—
	—	—	—	—	—	12/22/2015	20,250 **(12)**	1,418	—	—
	—	—	—	—	—	12/22/2015	7,500 **(13)**	29,625	—	—
	—	—	—	—	—	11/18/2016	6,180 **(6)**	79,166	—	—
	—	—	—	—	—	11/18/2016	21,628 **(13)**	85,431	—	—
Thomas Studebaker	—	—	—	—	—	—	—	—	—	—

David Rawden	—	—	—	—	—	—	—	—	—	—
Brian Wuebbels **(15)**	25,000	—	—	55.74	8/13/2017	5/2/2014	120,000 **(14)**	8,400	—	—
	25,000	—	—	55.74	8/13/2017	3/10/2015	6,000 **(9)**	76,860	—	—
	2,500	—	—	69.84	1/23/2018	3/10/2015	21,334 **(10)**	273,289	—	—
	5,000	—	—	51.63	7/22/2018	3/10/2015	9,000 **(7)**	630	—	—
	3	—	—	15.99	4/20/2020	3/10/2015	48,000 **(8)**	3,360	—	—
	16,000	—	—	11.63	4/27/2021	3/31/2015	536,547 **(11)**	2,119,361	—	—
	6,250	—	—	3.45	4/25/2022	12/23/2015	50,000 **(6)**	640,500	—	—
	150,000	—	—	2.13	5/16/2022	—	—	—	—	—
	80,000	—	—	1.76	7/24/2022	—	—	—	—	—
	98,667	—	—	3.27	9/18/2022	—	—	—	—	—
	150,000	—	—	9.58	7/18/2023	—	—	—	—	—

(1) All stock option awards were granted under the SunEdison 2010 Equity Incentive Plan and are exercisable for one share of SunEdison common stock at the option exercise price listed. The grant date of all stock option awards is ten years prior to the expiration date. Employees have three months from a termination date within which to exercise exercisable stock options.

(2) Based on SunEdison's closing stock price on December 31, 2016 of $0.07, and on Terraform Power, Inc. closing stock price on December 31, 2016 of $12.81, and on Terraform Global, Inc. closing stock price on December 31, 2016 of $3.95.

(3) Represents RSUs granted under the 2014 TerraForm Power, Inc. Long-term Incentive Plan. These RSUs vest in full on May 27, 2017.

(4) Represents RSUs granted under the 2014 TerraForm Global, Inc. 2014 Long-Term Incentive Plan. These RSUs vest in full on May 27, 2017.

(5) Represents RSUs granted under the SunEdison 2010 Equity Incentive Plan. These RSUs vest in increments of 33%, 33% and 34% over three years commencing on the first anniversary of the grant date.

(6) Represents RSAs or RSUs granted under the 2014 TerraForm Power, Inc. Long-Term Incentive Plan. These RSAs or RSUs vest in increments of 25% on the first and second anniversary of the grant date, and 50% on the third anniversary of the grant date.

(7) Represents RSUs granted under the Amended and Restated SunEdison 2010 Equity Incentive Plan. These RSUs vest in increments of 25% over four years commencing on the first anniversary of the grant date.

(8) Represents RSUs granted under Amended and Restated SunEdison 2010 Equity Incentive Plan. These RSUs are based on performance. There are three performance tiers, each tier represents 33 percent of the entire grant. The performance tiers are measured on the dividend per share (DPS) of TerraForm Power, Inc. Each of the performance tiers are based on TerraForm DPS targets, as predetermined and approved by SunEdison's Compensation Committee. If certain performance goals are not achieved, the first, second and third performance tiers are forfeited in its entirety. If certain performance goals are met by the first quarter of 2016, 2017 and 2018, as measured by the last twelve months, the first, second and third tier will vest at 50%, 75% or 100%.

(9) Represents RSUs granted under TerraForm Power, Inc. Long Term Investment Plan. These RSUs vest in increments of 25% over four years commencing on the first anniversary of the grant date.

(10) Represents RSUs granted under the 2014 TerraForm Power, Inc. Long-Term Incentive Plan. These RSUs are based on performance. There are three performance tiers, each tier represents 33 percent of the entire grant. The performance tiers are measured on the DPS of TerraForm Power, Inc. Each of the performance tiers are based on TerraForm DPS targets, as predetermined and approved by SunEdison's Compensation Committee. If certain performance goals are not achieved, the first, second and third performance tiers are forfeited in its entirety. If certain performance goals are met by the first quarter of 2016, 2017 and 2018, as measured by the last twelve months, the first, second and third tier will vest at 50%, 75% or 100%.

(11) Represents RSAs granted under the TerraForm Global, Inc. 2014 Long-Term Incentive Plan. These RSAs vest in increments of 25% over four years commencing on the first anniversary on August 5, 2016.

(12) Represents RSUs granted under Amended and Restated SunEdison 2010 Equity Incentive Plan. These RSUs vest in increments of 25% on the first and second anniversary of the grant date, and 50% on the third anniversary of the grant date.

(13) Represents RSUs granted under the TerraForm Global, Inc. 2014 Long-Term Incentive Plan. These RSUs vest in increments of 25% on the first and second anniversary of the grant date, and 50% on the third anniversary of the grant date.

(14) Represents RSUs granted under the Amended and Restated SunEdison 2010 Equity Incentive Plan. The RSUs granted under the Amended and Restated SunEdison 2010 Equity Incentive Plan vest, if at all, upon the achievement of certain performance criteria. If SunEdison's stock price attains certain targets over the period ended June 30, 2016, that portion of the earned grant would vest at 50% on the grant date anniversary in 2017 and 50% on the grant date anniversary in 2018. If the stock price attained a set target from the period beginning July 1, 2016 until May 2, 2018, that portion of the earned grant would vest 50% on the grant date anniversary in 2017 and 50% on the grant date anniversary in 2018 or 100% in 2018 depending on the date the target is achieved.

(15) Mr. Wuebbels left the Company prior to December 31, 2016 and was not eligible for continuation of benefits. As of December 31, 2016, Mr. Wuebbels had 12,500 RSUs, whose vesting or forfeiture is in dispute and which the Company has not delivered to Mr. Wuebbels.

Option Exercised and Stock Vested

The following table sets forth certain information concerning stock option exercises and the vesting of restricted stock units and restricted stock awards of the Company, TerraForm Global and SunEdison during 2016 by the named executive officers of the Company.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Peter Blackmore	—	—	—	—
Rebecca Cranna	—	—	64,776	551,135
Sebastian Deschler	—	—	83,437	526,050
Thomas Studebaker	—	—	—	—
David Rawden	—	—	—	—
Brian Wuebbels	—	—	5,000	25,400

Potential Payment Upon Termination or Change in Control

The following table describes, assuming a termination date of December 31, 2016, an approximation of (i) the amounts that would be due to each of our named executive officers in the form of lump sum cash severance, (ii) the amounts due to each of our named executive officers as the final installment of the retention cash awards, (iii) the value of acceleration of vesting applicable to stock options, restricted stock units (RSUs) and restricted stock awards (RSAs) for each of the named executive officers and (iv) a lump sum cash payment equal to twelve months of COBRA health premiums due to certain named executive officers pursuant to their individual Letter Agreements, in each case in the event of the named executive officer's (a) death, (b) disability, (c) termination without cause or for good reason (Severance Termination), (d) termination for cause, (e) termination in connection with a change in control and (f) impact of a change in control without termination. Any actual amounts payable to each executive listed below upon his termination can only be determined definitively at the time of each executive's actual termination.

Under our equity plans, TerraForm Global's equity plans and SunEdison's equity plans, an employee (including named executive officers) must be terminated without cause or must resign for good reason within two years following a change in control of the Company, TerraForm Global or SunEdison, respectively, in order to receive accelerated vesting of stock options, RSUs and RSAs. Under our equity plans, "good reason" is generally considered a material diminution in an employee's duties and responsibilities, a decrease in an employee's base salary or benefits or a relocation of an employee's work location of more than 50 miles. The plans also provide for accelerated vesting upon the individual's death or disability during active employment with the Company. We may also designate certain equity grants as eligible for acceleration in circumstances beyond those listed above.

In addition, the outstanding equity awards of each of our named executive officers are governed by the terms of their individual award agreements, which provide for full acceleration of their awards upon death, disability, severance termination/ resignation with consent, involuntary termination following a change in control without termination.

Name/Circumstance	Severance ($) (1)	Retention Bonus ($)	Accelerated Vesting ($) (2)	Healthcare ($) (3)	Total ($)
Peter Blackmore					
Death	—	—	329,100	—	329,100
Disability	—	—	329,100	—	329,100
Severance Termination / Resignation with Consent	—	—	153,720	—	153,720
Termination for Cause	—	—	—	—	—
Involuntary Termination if Change-in-Control	—	—	153,720	—	153,720
Change-in-Control (no termination)	—	—	153,720	—	153,720
Rebecca Cranna (6)					
Death	—	—	1,558,716	—	1,558,716
Disability	—	—	1,558,716	—	1,558,716
Severance Termination	401,145	99,787	1,552,239	19,434	2,072,605
Termination for Cause	—	—	—	—	—
Involuntary Termination if Change-in-Control	401,145	99,787	1,552,239	19,434	2,072,605
Change-in-Control (no termination)	—	—	1,080,549	—	1,080,549
Sebastian Deschler					
Death	—	—	1,672,924	—	1,672,924
Disability	—	—	1,672,924	—	1,672,924
Severance Termination	290,686	72,310	1,671,375	19,434	2,053,805
Termination for Cause	—	—	—	—	—
Involuntary Termination if Change-in-Control	290,686	72,310	1,671,375	19,434	2,053,805
Change-in-Control (no termination)	—	—	1,671,375	—	1,671.375
Thomas Studebaker (4)					
Death	—	—	—	—	—
Disability	—	—	—	—	—
Severance Termination	—	—	—	—	—
Termination for Cause	—	—	—	—	—
Involuntary Termination if Change-in-Control	—	—	—	—	—
Change-in-Control (no termination)	—	—	—	—	—
David Rawden (4)					
Death	—	—	—	—	—
Disability	—	—	—	—	—
Severance Termination	—	—	—	—	—
Termination for Cause	—	—	—	—	—
Involuntary Termination if Change-in-Control	—	—	—	—	—
Change-in-Control (no termination)	—	—	—	—	—
Brian Wuebbels (5)					
Death	—	—	3,122,400	—	3,122,400
Disability	—	—	3,122,400	—	3,122,400
Severance Termination	—	—	—	—	—
Termination for Cause	—	—	—	—	—
Involuntary Termination if Change-in-Control	—	—	990,649	—	990,649
Change-in-Control (no termination)	—	—	990,649	—	990,649

(1) Ms. Cranna and Mr. Deschler are entitled to receive lump sum cash severance payments equal to one year of base salary upon an eligible termination event under the terms of their August 2016 Letter Agreements.

(2) Reflects a valuation of the acceleration of the named executive officer's outstanding options, RSAs and RSUs calculated based on the closing price on December 31, 2016 of SunEdison common stock, TerraForm Power, Inc. Class A common stock and TerraForm

Global, Inc. Class A common stock, as applicable. The actual amount received by the named executive officer upon the sale of shares received under RSAs and RSUs or following the exercise of options would depend on the actual market value at the time of such sale. For a detailed description of the individual Restricted Stock Units or Restricted Stock Awards, please see *"Outstanding Equity Awards at Fiscal Year-End"* below.

(3) Reflects lump sum payment equal to 12 months of continued healthcare coverage under 2017 COBRA rates.

(4) Messrs. Studebaker and Rawden are not entitled to any payments upon termination.

(5) Mr. Wuebbels resigned from his position as President and Chief Executive Officer of the Company prior to December 31, 2016. However, since Mr. Wuebbels continued to be employed by SunEdison as of December 31,2016, the applicable benefits remain in effect as of that date.

(6) Pursuant to the terms of the August 30 Letter Agreement, TerraForm Global, Inc. will reimburse the Company for 50% of the cash compensation paid by the Company to Ms. Cranna.

Letter Agreements Regarding Accelerated Vesting and Severance

See *"Item 11. Executive Compensation - Compensation Discussion and Analysis - Details of the Elements of Our Named Executive Officer's 2016 Compensation - Ms. Cranna and Mr. Deschler"* above for information regarding certain letter agreements entered into between the Company and Ms. Cranna and Mr. Deschler.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth certain information known to us regarding beneficial ownership of our voting securities as of June 30, 2017 by:

- each person known by us to be the beneficial owner of more than 5% of any class of our voting securities;
- each of our directors;
- each of our named executive officers; and
- all executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as noted by footnote below, and subject to community property laws where applicable, the persons named in the table below have sole voting and investment power with respect to all shares shown as beneficially owned by them. The table below is based upon information supplied by officers, directors and principal stockholders and Schedules 13D or 13G filed with the SEC.

This table lists applicable percentage ownership based on 92,268,474 shares of our Class A common stock and 48,202,310 shares of our Class B common stock (collectively, our "Common Stock"), in each case outstanding as of June 30, 2017. Shares issuable upon exercise of options to purchase shares of our Common Stock that are exercisable within 60 days of June 30, 2017, and shares underlying vested RSUs and underlying RSUs that will vest within 60 days of June 30, 2017, are deemed to be beneficially owned by the persons holding these options for the purpose of computing percentage ownership of that person, but are not treated as outstanding for the purpose of computing any other person's ownership percentage.

Unless otherwise indicated in the table or footnotes below, the address for each beneficial owner is c/o TerraForm Power, Inc., 7550 Wisconsin Avenue, 9th Floor, Bethesda, Maryland 20814.

	Beneficial Ownership (1)				
	Class A Common Stock		Class B Common Stock		
Name and Address of Beneficial Owner	**Number of Shares**	**%**	**Number of Shares**	**%**	**% of Total Voting Power**
***5% Stockholders*:**					
SunEdison **(2)**	—	—	48,202,310	100	83.9
Blue Mountain Capital Management **(3)**	9,119,934	9.9	—	—	1.6
Madison Dearborn Capital Partners IV, LP **(4)**	6,080,922	6.6	—	—	1.1
The Vanguard Group **(5)**	6,371,463	6.9	—	—	1.1
Appaloosa Investment Limited Partnership I **(6)**	8,708,708	9.4	—	—	1.5
Brookfield Asset Management, Inc. **(7)**	11,075,000	12.0	—	—	1.9
Invesco Ltd. **(8)**	9,053,457	9.8	—	—	1.6
Blackrock, Inc. **(9)**	5,565,918	6.0	—	—	1.0
D.E. Shaw & Co., L.P. and certain affiliates **(10)**	6,080,922	6.6	—	—	1.1
Directors, Named Executive Officers and Executive Officers:					
Peter Blackmore	20,400	*	—	—	*
Rebecca Cranna	43,193	*	—	—	*
Sebastian Deschler	141,859	*	—	—	*
Brian Wuebbels **(11)**	6,227	*	—	—	*
Christian Fong	12,800	*	—	—	*
Christopher Compton	20,400	*	—	—	*
David Pauker	11,700	*	—	—	*
Edward Hall	11,300	*	—	—	*
Hanif Dahya	20,900	*	—	—	*
John Stark	20,400	*	—	—	*
Kerri Fox	11,300	*	—	—	*
Marc Rosenberg	11,300	*	—	—	*
David Rawden	—	*	—	—	*
Thomas Studebaker	—	*	—	—	*
Directors and Executive Officers as a group	331,779	*	—	—	*

* Less than one percent

(1) Represents shares of Class A common stock or shares of Class B common stock and Class B1 common stock that are exchangeable at any time for shares of Class A common stock on a 1:1 basis. Each share of our Class B common stock is entitled to 10 votes per share.

(2) Represents shares of Class B common stock held directly or indirectly by SunEdison Holdings Corporation, a wholly owned subsidiary of SunEdison. SunEdison Holdings Corporation does not own any shares of Class A common stock. However, SunEdison Holdings Corporation owns 48,202,310 Class B units of Terra LLC, which are exchangeable (together with shares of our Class B common stock) for shares of our Class A common stock at any time. As a result, SunEdison Holdings Corporation may be deemed to beneficially own the shares of Class A common stock for which such Class B units are exchangeable. The principal place of business for these entities is 13736 Riverport Drive, Suite 1000, Maryland Heights, Missouri 63043.

(3) As set forth in such company's Schedule 13G filed with the SEC on May 17, 2016. According to the filing, BlueMountain Capital Management, LLC, BlueMountain GP Holdings, LLC, Blue Mountain Credit Alternatives Master Fund L.P., Blue Mountain CA Master Fund GP, Ltd., BlueMountain Foinaven Master Fund L.P., BlueMountain Foinaven GP, LLC, BlueMountain Logan Opportunities Master Fund L.P., BlueMountain Logan Opportunities GP, LLC, BlueMountain Guadalupe Peak Fund L.P., BlueMountain Long/Short Credit GP, LLC, BlueMountain Montenvers Master Fund SCA SICAV-SIF, BlueMountain Montenvers GP S.à r.l., BlueMountain Kicking Horse Fund L.P., BlueMountain Kicking Horse Fund GP, LLC, BlueMountain Timberline Ltd. share voting and dispositive power over 9,119,934 shares of Class A common stock. The address for each of the Blue Mountain entities is 280 Park Avenue, 12th Floor, New York, New York 10017.

(4) As set forth in such company's Schedule 13G filed with the SEC on February 16, 2016. According to the filing, Madison Dearborn Capital Partners IV, L.P. ("MDCP") and Madison Dearborn Partners IV, L.P. ("MDP IV") share voting and dispositive power over 6,080,922 shares of Class A common stock. This includes 1,952 shares of common stock of the Issuer held by Northwestern University over which MDCP has power to vote and dispose pursuant to a voting agreement and proxy. As a result, MDCP may be deemed to beneficially own these shares. The shares of Class A common stock of MDCP may be deemed to be beneficially owned by MDP IV, who

is the sole general partner of MDCP. The address for MDCP and MDP IV is Three First National Plaza, Suite 4600, Chicago, Illinois 60602.

(5) As set forth in such company's Schedule 13G filed with the SEC on February 10, 2017. According to the filing, The Vanguard Group has voting and dispositive power over 6,371,463 shares of Class A common stock. The address for The Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.

(6) As set forth in such company's Schedule 13D/A filed with the SEC on March 23, 2017. According to the filing, Appaloosa Investment Limited Partnership I, Palomino Master Ltd., Appaloosa LP, Appaloosa Capital Inc., Appaloosa Management L.P., Appaloosa Partners Inc. and David A. Tepper (collectively, "Appaloosa") share voting and dispositive power over 8,708,708 shares of Class A common stock. The address for Appaloosa is 51 John F. Kennedy Parkway, 2nd Floor, Short Hills, New Jersey 07078.

(7) As set forth in such company's Schedule 13D/A filed with the SEC on May 17, 2017. According to the filing, Orion US Holdings 1 L.P. ("Orion US LP"), with respect to Class A common stock directly owned by it, Orion US GP LLC, ("Orion US GP"), with respect to Class A common stock owned by Orion US LP, Brookfield Infrastructure Fund III GP LLC, ("BIF"), which serves as the indirect general partner of Orion US GP and Orion US LP, Brookfield Asset Management Private Institutional Capital Adviser (Canada), L.P. ("BAMPIC Canada"), which serves as the investment adviser to BIF, Brookfield Credit Opportunities Master Fund, L.P., ("Brookfield Credit Opportunities LP"), Brookfield Credit Opportunities Fund GP, LLC ("Brookfield Credit Opportunities GP"), with respect to the Class A common stock owned by Brookfield Credit Opportunities LP, Brookfield Asset Management Private Institutional Capital Adviser (Credit) LLC ("BAMPIC Credit"), which serves as the investment adviser to Brookfield Credit Opportunities LP, Brookfield Asset Management Inc. ("Brookfield"), which is the ultimate parent of BIF, BAMPIC Canada, Brookfield Credit Opportunities GP, and BAMPIC Credit and may be deemed to have voting and dispositive power over the Class A Shares held by the reporting persons and Partners Limited ("Partners") (Partners holds 85,120 Class B limited voting shares of Brookfield, representing 100% of such shares, and 867,495 Class A limited voting shares of Brookfield, representing approximately 0.1% of such shares) share voting and dispositive power over 11,075,000 shares of Class A common stock. The address of Orion US LP, Orion US GP, BIF, BAMPIC Canada, Brookfield Credit Opportunities LP, Brookfield Credit Opportunities GP, GAMPIC Credit, Brookfield and Partners is 181 Bay Street, Suite 300, Brookfield Place, Toronto, Ontario M5J 2T3, Canada.

(8) As set forth in such company's Schedule 13G filed with the SEC on January 11, 2016. According to the filing, Invesco Ltd. has sole voting and dispositive power over 9,053,457 shares of Class A common stock. The address for Invesco Ltd. is 1555 Peachtree Street NE, Suite 1800, Atlanta, GA 30309.

(9) As set forth in such company's Schedule 13G filed with the SEC on January 30, 2017. According to the filing, Blackrock, Inc. has sole voting and dispositive power over 5,565,918 shares of Class A common stock. The address for Blackrock, Inc. is 55 East 52nd Street, New York, NY 10055.

(10) As set forth in such company's schedule 13G filed with the SEC on December 19, 2016. According to the filing, D.E. Shaw & Co., L.P., D.E. Shaw & Co. L.L.C. and David E. Shaw all have shared voting and dispositive power over 6,080,922 shares of Class A common stock. This includes (i) 4,578,575 shares in the name of D. E. Shaw Composite Holdings, L.L.C., (ii) 557,362 shares in the name of D. E. Shaw CF-SP Series 1 MWP Acquisition, L.L.C., (iii) 318,658 shares in the name of D. E. Shaw CF-SP Series 13-04, L.L.C., (iv) 297,766 shares in the name of D. E. Shaw CF-SP Series 8-01, L.L.C., (v) 274,524 shares in the name of D. E. Shaw CF-SP Series 11-06, L.L.C., and (vi) 54,037 shares in the name of D. E. Shaw CF-SP Series 10-07, L.L.C. David E. Shaw does not own any shares directly. By virtue of David E. Shaw's position as President and sole shareholder of D. E. Shaw & Co., Inc., which is the general partner of D. E. Shaw & Co., L.P., which in turn is the investment adviser of (i) D. E. Shaw Composite Holdings, L.L.C., (ii) D. E. Shaw CF-SP Series 1 MWP Acquisition, L.L.C., (iii) D. E. Shaw CF-SP Series 13-04, L.L.C., (iv) D. E. Shaw CF-SP Series 8-01, L.L.C., (v) D. E. Shaw CF-SP Series 11-06, L.L.C., and (vi) D. E. Shaw CF-SP Series 10-07, L.L.C., and by virtue of David E. Shaw's position as President and sole shareholder of D. E. Shaw & Co. II, Inc., which is the managing member of D. E. Shaw & Co., L.L.C., which in turn is the manager of (i) D. E. Shaw Composite Holdings, L.L.C., (ii) D. E. Shaw CF-SP Series 1 MWP Acquisition, L.L.C., (iii) D. E. Shaw CF-SP Series 13-04, L.L.C., (iv) D. E. Shaw CF-SP Series 8-01, L.L.C., (v) D. E. Shaw CF-SP Series 11-06, L.L.C., and (vi) D. E. Shaw CF-SP Series 10-07, L.L.C., David E. Shaw may be deemed to have the shared power to vote or direct the vote of, and the shared power to dispose or direct the disposition of, the 6,080,922 shares as described above constituting 6.6% of the outstanding shares and, therefore, David E. Shaw may be deemed to be the beneficial owner of such shares. David E. Shaw disclaims beneficial ownership of such 6,080,922 shares. The address for D.E. Shaw & Co., L.P., D.E. Shaw & Co. L.L.C. and David E. Shaw is 1166 Avenue of the Americas, 9th Floor, New York, NY 10036.

(11) Beneficial ownership numbers for NEOs who left the Company are current as of the date of their departure.

ARRANGEMENTS AFFECTING CHANGE IN CONTROL OF COMPANY

SunEdison has pledged all of the shares of Class B common stock, and a corresponding amount of the Class B units of Terra LLC, as well as our IDRs, that SunEdison owns to SunEdison's lenders as security under its DIP financing and its first and second lien credit facilities and outstanding second lien secured notes. Foreclosure by the lenders under the first and second lien credit facilities and outstanding second lien secured notes likely will be stayed during the pendency of the SunEdison Bankruptcy. However, if SunEdison breaches certain covenants and obligations in its DIP financing, an event of default or maturity of the DIP financing could result and the lenders could exercise their right to accelerate all the debt under the DIP financing and foreclose on the pledged shares (and a corresponding number of Class B units and IDRs). In addition, in the course of exploring financing alternatives, SunEdison could seek to sell all or a portion of its shares of Class B common stock and Class B units or IDRs or otherwise dispose of such interests to increase its liquidity profile or to effect acquisitions or other similar transactions. Foreclosures or transfers are subject to certain limitations in our governing documents, including that SunEdison (together with its controlled affiliates) must continue to own a number of Class B units equal to 25% of the units held by SunEdison upon completion of our IPO until the earlier of (i) three years from the completion of the IPO and (ii) the date that Terra LLC has made cash distributions in excess of the Third Target Distribution (as defined in Terra LLC's amended and restated operation agreement) for four quarters ("Class B Share Lock Up"). However, such limitations may not be enforceable against foreclosures or transfers occurring in connection with the SunEdison Bankruptcy, including foreclosures by the lenders under SunEdison's DIP financing.

Because SunEdison owns a majority of the combined voting power of our common stock, the occurrence of an event of default, foreclosure, and a subsequent sale of all, or substantially all, of the shares of Class A common stock received upon foreclosure of any pledged securities could result in a change of control. SunEdison, through its wholly owned subsidiary, SunEdison Holdings Corporation, owns 48,202,310 Class B units of Terra LLC, which are exchangeable (together with shares of our Class B common stock) for shares of our Class A common stock.

See *"Item 1. Business-Recent Developments-Business Update-SunEdison Bankruptcy", "Item 1A. Risk Factors-Risks Related to our Relationship with SunEdison and the SunEdison Bankruptcy"* and other disclosures in this annual report for additional information relating to the SunEdison Bankruptcy.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information with respect to all of our equity compensation plans as of December 31, 2016:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (1)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (2)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))(1)
	(a)	(b)	(c)
Equity compensation plans approved by security holders	—	—	3,718,025 **(3)**
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	—	—	3,718,025

(1) Number of shares is subject to adjustment for changes in capitalization for stock splits, stock dividends and similar events.
(2) Weighted average exercise price of outstanding options; excludes restricted stock units and performance-based restricted stock units.
(3) These shares are currently issuable under the TerraForm Power, Inc. 2014 Second Amended and Restated Long-Term Incentive Plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

POLICIES AND PROCEDURES FOR RELATED PARTY TRANSACTIONS

As provided by our corporate governance and conflicts committee charter adopted in connection with our initial public offering, our corporate governance and conflicts committee is responsible for reviewing and recommending to the Board whether to approve in advance any material related party transactions between us and SunEdison or its affiliates. The members of our corporate governance and conflicts committee determine whether to recommend a related party transaction in the exercise of their fiduciary duties as directors.

See *Item 15, Note 20 Related Parties* to our consolidated financial statements included in this Annual Report on Form 10-K for information regarding certain relationships and related party transactions, including those with SunEdison, which disclosures are incorporated herein by reference.

Director Independence

We believe Messrs. Compton, Dayha, Fong, Hall, Pauker, Rosenberg and Stark and Ms. Fox qualify as independent directors according to the rules and regulations of the SEC and the NASDAQ. See *Item 10. Directors, Executive Officers and Corporate Governance - Corporate Governance and Board Matters* for additional information regarding director independence.

Item 14. Principal Accounting Fees and Services.

Audit and Non-Audit Fees

The following table represents aggregate fees billed or to be billed to us for the fiscal years ended December 31, 2016 and December 31, 2015 by KPMG LLP, our principal independent registered public accounting firm.

	Year ended December 31,	
(in thousands)	**2016**	**2015**
Audit fees[1]	$ 8,116.4	$ 10,141.0
Tax fees	382.0	—
All other fees	—	—
Total	$ 8,498.4	$ 10,141.0

(1) This category includes KPMG LLP's audit of our annual consolidated financial statements and review of financial statements included in our quarterly reports on Form 10-Q. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or review of interim financial statements and reimbursed expenses billed.

All fees described above were approved by our Audit Committee.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services rendered by KPMG LLP, our independent registered public accounting firm. The Audit Committee pre-approves specified services in defined categories of audit services, audit-related services and tax services up to specified amounts, as part of the Audit Committee's approval of the scope of the engagement of KPMG LLP or on an individual case-by-case basis before KPMG LLP is engaged to provide a service. The Audit Committee has determined that the rendering of the services other than audit services by KPMG LLP is compatible with maintaining the principal accountant's independence.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) The following documents are filed as a part of this report.

(1) Financial Statements:

(2) Financial Statement Schedules:

The information required to be submitted in the Financial Statement Schedules for TerraForm Power, Inc. has either been shown in the financial statements or notes, or is not applicable or required under Regulation S-X; therefore, those schedules have been omitted.

(3) Exhibits:

See Exhibit Index submitted as a separate section of this annual report on Form 10-K.

Report of Independent Registered Public Accounting Firm

The Board of Directors
TerraForm Power, Inc.:

We have audited TerraForm Power, Inc.'s (the Company) internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). TerraForm Power, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in Management's Report on Internal Control over Financial Reporting:

- Ineffective (a) process to ensure that all employees, including management, and outsourced service providers, annually confirm their compliance with the Company's Code of Business Conduct and that deviations from the expected standards of conduct are identified and remedied in a timely manner and (b) maintenance of a whistleblower hotline;
- Ineffective Board oversight and management monitoring activities over financial reporting processes and internal controls;
- Insufficient number of trained resources with assigned responsibility and accountability for financial reporting processes and the effective design and operation of internal controls;
- Ineffective documented and continuous risk assessment process (a) to identify and analyze risks of financial misstatement due to error and/or fraud; (b) to identify and assess necessary changes in generally accepted accounting principles and financial reporting processes and internal controls impacted by changes in the business model resulting from growth from acquisitions, changes in information systems, changes at SunEdison and transition of key personnel; and (c) to ensure appropriate control activities were established through policies and procedures to carry out management's directives to mitigate risks to the Company's financial reporting objectives;
- Ineffective information and communication processes to ensure that appropriate and accurate information is available to financial reporting personnel on a timely basis;

- Ineffective general information technology controls over all operating systems, databases, and IT applications supporting financial reporting resulting in ineffective process‑level automated controls and compensating manual controls dependent upon the information derived from IT systems, and end‑user computing controls over spreadsheets used in financial reporting;
- Ineffective controls over the completeness, existence, and accuracy of revenues and the completeness, existence, accuracy and valuation of accounts receivable;
- Ineffective reconciliation controls over the completeness, existence and accuracy of certain balance sheet accounts;
- Ineffective controls over the completeness, existence and accuracy of expenses and accounts payable and accrued expenses;
- Ineffective controls over the completeness, existence and accuracy of renewable energy facilities, accumulated depreciation, and depreciation expense;
- Ineffective controls over the completeness, accuracy and presentation of restricted cash;
- Ineffective controls over the completeness and accuracy of information used as part of goodwill impairment, long‑lived asset impairment and asset retirement obligations assessments, fair value measurements of underlying assets acquired and liabilities assumed in business combinations, allocation of income between controlling and noncontrolling interest using the hypothetical liquidation of book value method, and debt covenant compliance and going concern evaluation processes.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of TerraForm Power, Inc. and subsidiaries (the Company) as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for each of the years in the three‑year period ended December 31, 2016. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2016 consolidated financial statements, and this report does not affect our report dated July 21, 2017, which expressed an unqualified opinion on those consolidated financial statements. Our report on the consolidated financial statements dated July 21, 2017 contains an explanatory paragraph that states there is substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In our opinion, because of the effect of the aforementioned material weaknesses on the achievement of the objectives of the control criteria, TerraForm Power, Inc. has not maintained effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

/s/ KPMG LLP

McLean, Virginia
July 21, 2017

Report of Independent Registered Public Accounting Firm

The Board of Directors
TerraForm Power, Inc.:

We have audited the accompanying consolidated balance sheets of TerraForm Power, Inc. and subsidiaries (the Company) as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for each of the years in the three‑year period ended December 31, 2016. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TerraForm Power, Inc. and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the years in the three‑year period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), TerraForm Power, Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated July 21, 2017 expressed an adverse opinion on the effectiveness of the Company's internal control over financial reporting.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in note 1 to the consolidated financial statements, SunEdison, Inc. (the Company's sponsor) and certain of its affiliates filed for bankruptcy on April 21, 2016. The risk of substantive consolidation of the Company with SunEdison, Inc. and inclusion in the SunEdison, Inc. bankruptcy, as well as existing covenant defaults and risks of future covenant defaults under a number of the Company's financing arrangements also discussed in note 1, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ KPMG LLP

McLean, Virginia
July 21, 2017

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

	Year Ended December 31,		
	2016	**2015**	**2014**
Operating revenues, net	$ 654,556	$ 469,506	$ 127,156
Operating costs and expenses:			
Cost of operations	113,302	70,468	10,630
Cost of operations - affiliate	26,683	19,915	8,063
General and administrative expenses	89,995	55,811	20,984
General and administrative expenses - affiliate	14,666	55,330	19,144
Acquisition and related costs	2,743	49,932	10,177
Acquisition and related costs - affiliate	—	5,846	5,049
Loss on prepaid warranty - affiliate	—	45,380	—
Goodwill impairment	55,874	—	—
Impairment of renewable energy facilities	18,951	—	—
Depreciation, accretion and amortization expense	243,365	161,310	41,280
Formation and offering related fees and expenses	—	—	3,570
Formation and offering related fees and expenses - affiliate	—	—	1,870
Total operating costs and expenses	565,579	463,992	120,767
Operating income	88,977	5,514	6,389
Other expenses (income):			
Interest expense, net	310,336	167,805	86,191
Loss (gain) on extinguishment of debt, net	1,079	16,156	(7,635)
Loss on foreign currency exchange, net	13,021	19,488	14,007
Loss on investments and receivables - affiliate	3,336	16,079	—
Other expenses, net	2,218	7,362	438
Total other expenses, net	329,990	226,890	93,001
Loss before income tax expense (benefit)	(241,013)	(221,376)	(86,612)
Income tax expense (benefit)	494	(13,241)	(4,689)
Net loss	(241,507)	(208,135)	(81,923)
Less: Pre-acquisition net income (loss) of renewable energy facilities acquired from SunEdison	—	1,610	(1,498)
Less: Predecessor loss prior to the IPO on July 23, 2014	—	—	(10,357)
Net loss subsequent to IPO and excluding pre-acquisition net income (loss) of renewable energy facilities acquired from SunEdison	(241,507)	(209,745)	(70,068)
Less: Net income attributable to redeemable non-controlling interests	18,365	8,512	—
Less: Net loss attributable to non-controlling interests	(130,025)	(138,371)	(44,451)
Net loss attributable to Class A common stockholders	$ (129,847)	$ (79,886)	$ (25,617)
Weighted average number of shares:			
Class A common stock - Basic and diluted	90,815	65,883	29,602
Loss per share:			
Class A common stock - Basic and diluted	$ (1.47)	$ (1.25)	$ (0.87)

See accompanying notes to consolidated financial statements.

TERRAFORM POWER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	Year Ended December 31,		
	2016	**2015**	**2014**
Net loss	$ (241,507)	$ (208,135)	$ (81,923)
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments:			
Net unrealized loss arising during the period	(15,039)	(18,446)	(3,541)
Hedging activities:			
Net unrealized (loss) gain arising during the period, net of tax	(86)	26,913	(1,925)
Reclassification of net realized loss into earnings, net of tax[1]	15,967	4,663	—
Other comprehensive income (loss), net of tax	842	13,130	(5,466)
Total comprehensive loss	(240,665)	(195,005)	(87,389)
Less: Pre-acquisition net income (loss) of renewable energy facilities acquired from SunEdison	—	1,610	(1,498)
Less: Pre-acquisition other comprehensive income of renewable energy facilities acquired from SunEdison	—	40,016	—
Less: Predecessor comprehensive loss prior to IPO on July 23, 2014	—	—	(10,357)
Comprehensive loss subsequent to IPO and excluding pre-acquisition comprehensive income (loss) of renewable energy facilities acquired from SunEdison	(240,665)	(236,631)	(75,534)
Less comprehensive income (loss) attributable to non-controlling interests:			
Net income attributable to redeemable non-controlling interests	18,365	8,512	—
Net loss attributable to non-controlling interests	(130,025)	(138,371)	(44,451)
Foreign currency translation adjustments	(4,639)	(7,862)	(2,392)
Hedging activities	5,469	(3,545)	(1,437)
Comprehensive loss attributable to non-controlling interests	(110,830)	(141,266)	(48,280)
Comprehensive loss attributable to Class A common stockholders	$ (129,835)	$ (95,365)	$ (27,254)

(1) Includes $16.9 million loss reclassification for the year ended December 31, 2016 that occurred subsequent to the Company's discontinuation of hedge accounting for interest rate swaps pertaining to variable rate non-recourse debt for substantially all of the Company's portfolio of solar power plants located in the United Kingdom as discussed in *Note 13. Derivatives*.

See accompanying notes to consolidated financial statements.

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

	December 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	$ 565,333	$ 626,595
Restricted cash	114,950	152,586
Accounts receivable, net	89,461	103,811
Prepaid expenses and other current assets	61,749	53,769
Assets held for sale	61,523	—
Total current assets	893,016	936,761
Renewable energy facilities, net, including consolidated VIEs of $3,434,549 and $3,558,041 in 2016 and 2015, respectively	4,993,251	5,834,234
Intangible assets, net, including consolidated VIEs of $875,095 and $929,580 in 2016 and 2015, respectively	1,142,112	1,246,164
Goodwill	—	55,874
Deferred financing costs, net	7,798	10,181
Other assets	114,863	120,343
Restricted cash	2,554	13,852
Non-current assets held for sale	552,271	—
Total assets	$ 7,705,865	$ 8,217,409

See accompanying notes to consolidated financial statements.

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

	December 31, 2016	December 31, 2015
Liabilities, Redeemable Non-controlling Interests and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt and financing lease obligations, including consolidated VIEs of $594,442 and $980,069 in 2016 and 2015, respectively	$ 2,212,968	$ 2,037,919
Accounts payable, accrued expenses and other current liabilities	125,596	153,046
Deferred revenue	18,179	15,460
Due to SunEdison, net	16,692	26,598
Liabilities related to assets held for sale	21,798	—
Total current liabilities	2,395,233	2,233,023
Long-term debt and financing lease obligations, less current portion, including consolidated VIEs of $375,726 and $59,706 in 2016 and 2015, respectively	1,737,946	2,524,730
Deferred revenue, less current portion	55,793	70,492
Deferred income taxes	27,723	26,630
Asset retirement obligations, including consolidated VIEs of $92,213 and $101,532 in 2016 and 2015, respectively	148,575	215,146
Other long-term liabilities	31,470	31,408
Non-current liabilities related to assets held for sale	410,759	—
Total liabilities	4,807,499	5,101,429
Redeemable non-controlling interests	180,367	175,711
Stockholders' equity:		
Preferred stock, $0.01 par value per share, 50,000,000 shares authorized, no shares issued	—	—
Class A common stock, $0.01 par value per share, 850,000,000 shares authorized, 92,476,776 and 79,734,265 shares issued in 2016 and 2015, respectively, and 92,223,089 and 79,612,533 shares outstanding in 2016 and 2015, respectively	920	784
Class B common stock, $0.01 par value per share, 140,000,000 shares authorized, 48,202,310 and 60,364,154 shares issued and outstanding in 2016 and 2015, respectively	482	604
Class B1 common stock, $0.01 par value per share, 260,000,000 shares authorized, no shares issued	—	—
Additional paid-in capital	1,467,108	1,267,484
Accumulated deficit	(234,440)	(104,593)
Accumulated other comprehensive income	22,912	22,900
Treasury stock, 253,687 and 121,732 shares in 2016 and 2015, respectively	(4,025)	(2,436)
Total TerraForm Power, Inc. stockholders' equity	1,252,957	1,184,743
Non-controlling interests	1,465,042	1,755,526
Total stockholders' equity	2,717,999	2,940,269
Total liabilities, redeemable non-controlling interests and stockholders' equity	$ 7,705,865	$ 8,217,409

See accompanying notes to consolidated financial statements.

TERRAFORM POWER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	Net SunEdison Investment	Class A Common Stock Issued		Class B Common Stock Issued		Class B1 Common Stock Issued		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total	Non-controlling Interests				Total Equity
		Shares	Amount	Shares	Amount	Shares	Amount					Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total	
Balance as of December 31, 2013	$ 2,674	—	$ —	—	$ —	—	$ —	$ —	$ —	$ —	$ 2,674	$ 12,778	$ —	$ —	$ 12,778	$ 15,452
Net SunEdison investment	418,388	—	—	—	—	—	—	—	—	—	418,388	—	—	—	—	418,388
Issuance of Class B common stock to SunEdison at formation	(657)	—	—	65,709	657	—	—	—	—	—	—	—	—	—	—	—
Additions to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	222,388	—	—	222,388	222,388
Issuance of restricted Class A common stock	—	4,977	14	—	—	—	—	(14)	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	—	566	—	—	566	—	—	—	—	566
Net loss	(10,357)	—	—	—	—	—	—	—	—	—	(10,357)	—	643	—	643	(9,714)
Pre-acquisition net loss of renewable energy facilities acquired from SunEdison	(798)	—	—	—	—	—	—	—	—	—	(798)	—	—	—	—	(798)
Balance as of July 23, 2014	$ 409,250	4,977	$ 14	65,709	$ 657	—	$ —	$ 552	$ —	$ —	$ 410,473	$ 235,166	$ 643	$ —	$ 235,809	$ 646,282
Write-off U.S. deferred tax assets and liabilities at IPO	3,616	—	—	—	—	—	—	—	—	—	3,616	—	—	—	—	3,616
Issuance of Class B common stock to SunEdison at IPO	(58)	—	—	5,840	58	—	—	—	—	—	—	—	—	—	—	—
Issuance of Class B membership units in TerraForm LLC to SunEdison at IPO	(412,808)	—	—	—	—	—	—	(222,155)	—	—	(634,963)	634,963	—	—	634,963	—
Issuance of class B1 common stock to Riverstone at IPO	—	—	—	—	—	5,840	58	145,942	—	—	146,000	(146,000)	—	—	(146,000)	—
Issuance of Class B1 membership units in TerraForm LLC to Riverstone at IPO	—	—	—	—	—	—	—	(57,633)	—	—	(57,633)	57,633	—	—	57,633	—
Issuance and forfeiture of Class A common stock	—	37,241	373	(7,023)	(70)	—	—	770,118	—	—	770,421	—	—	—	—	770,421
Dividends	—	—	—	—	—	—	—	(7,249)	—	—	(7,249)	—	—	—	—	(7,249)
Stock-based compensation	—	—	—	—	—	—	—	5,221	—	—	5,221	—	—	—	—	5,221
Net loss	—	—	—	—	—	—	—	—	(25,617)	—	(25,617)	—	(45,094)	—	(45,094)	(70,711)
Pre-acquisition net loss of renewable energy facilities acquired from SunEdison	—	—	—	—	—	—	—	—	(700)	—	(700)	—	—	—	—	(700)
Net SunEdison investment	—	—	—	—	—	—	—	2,569	—	—	2,569	3,987	—	—	3,987	6,556
Other comprehensive loss	—	—	—	—	—	—	—	—	—	(1,637)	(1,637)	—	—	(3,829)	(3,829)	(5,466)
Additions to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	169,274	—	—	169,274	169,274
Distributions to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(1,323)	—	—	(1,323)	(1,323)
Equity reallocation	—	—	—	—	—	—	—	(139,109)	—	—	(139,109)	139,109	—	—	139,109	—
Balance as of December 31, 2014	$ —	42,218	$ 387	64,526	$ 645	5,840	$ 58	$ 498,256	$ (26,317)	$ (1,637)	$ 471,392	$ 1,092,809	$ (44,451)	$ (3,829)	$ 1,044,529	$ 1,515,921

See accompanying notes to consolidated financial statements.

TERRAFORM POWER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(CONTINUED)

	Class A Common Stock Issued		Class B Common Stock Issued		Class B1 Common Stock Issued					Common Stock Held in Treasury			Non-controlling Interests				
	Shares	Amount	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Shares	Amount	Total	Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total	Total Equity
Balance as of December 31, 2014	42,218	$ 387	64,526	$ 645	5,840	$ 58	$ 498,256	$ (26,317)	$ (1,637)	—	$ —	$ 471,392	$ 1,092,809	$ (44,451)	$ (3,829)	$ 1,044,529	$ 1,515,921
Issuance of Class A common stock, net of issuance costs	31,912	318	(4,162)	(41)	—	—	921,333	—	—	—	—	921,610	—	—	—	—	921,610
Riverstone exchange	5,840	58	—	—	(5,840)	(58)	—	—	—	—	—	—	—	—	—	—	—
Stock-based compensation	(236)	21	—	—	—	—	22,622	—	—	(122)	(2,436)	20,207	—	—	—	—	20,207
Net loss[1]	—	—	—	—	—	—	—	(79,886)	—	—	—	(79,886)	—	(138,371)	—	(138,371)	(218,257)
Pre-acquisition net income of renewable energy facilities acquired from SunEdison	—	—	—	—	—	—	—	1,610	—	—	—	1,610	—	—	—	—	1,610
Dividends	—	—	—	—	—	—	(88,705)	—	—	—	—	(88,705)	—	—	—	—	(88,705)
Consolidation of non-controlling interests in acquired renewable energy facilities	—	—	—	—	—	—	—	—	—	—	—	—	413,014	—	—	413,014	413,014
Repurchase of non-controlling interest in renewable energy facility	—	—	—	—	—	—	—	—	—	—	—	—	(54,694)	—	—	(54,694)	(54,694)
Net SunEdison investment	—	—	—	—	—	—	84,288	—	—	—	—	84,288	69,113	—	—	69,113	153,401
Other comprehensive loss	—	—	—	—	—	—	—	—	(15,479)	—	—	(15,479)	—	—	(11,407)	(11,407)	(26,886)
Pre-acquisition other comprehensive income of renewable energy facilities acquired from SunEdison	—	—	—	—	—	—	—	—	40,016	—	—	40,016	—	—	—	—	40,016
Sale of membership interests in renewable energy facilities	—	—	—	—	—	—	—	—	—	—	—	—	346,704	—	—	346,704	346,704
Distributions to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(83,672)	—	—	(83,672)	(83,672)
Equity reallocation	—	—	—	—	—	—	(170,310)	—	—	—	—	(170,310)	170,310	—	—	170,310	—
Balance as of December 31, 2015	79,734	$ 784	60,364	$ 604	—	$ —	$ 1,267,484	$ (104,593)	$ 22,900	(122)	$ (2,436)	$ 1,184,743	$ 1,953,584	$ (182,822)	$ (15,236)	$ 1,755,526	$ 2,940,269
SunEdison exchange	12,162	122	(12,162)	(122)	—	—	181,045	—	—	—	—	181,045	(181,045)	—	—	(181,045)	—
Stock-based compensation	581	14	—	—	—	—	6,729	—	—	(132)	(1,589)	5,154	—	—	—	—	5,154
Net loss[2]	—	—	—	—	—	—	—	(129,847)	—	—	—	(129,847)	—	(130,025)	—	(130,025)	(259,872)
Acquisition accounting adjustment to non-controlling interest in acquired renewable energy facility	—	—	—	—	—	—	—	—	—	—	—	—	8,000	—	—	8,000	8,000
Repurchase of non-controlling interest in renewable energy facility	—	—	—	—	—	—	—	—	—	—	—	—	(486)	—	—	(486)	(486)
Net SunEdison investment	—	—	—	—	—	—	16,372	—	—	—	—	16,372	9,028	—	—	9,028	25,400
Other comprehensive income	—	—	—	—	—	—	—	—	12	—	—	12	—	—	830	830	842
Sale of membership interests in renewable energy facilities	—	—	—	—	—	—	—	—	—	—	—	—	15,674	—	—	15,674	15,674
Distributions to non-controlling interests in renewable energy facilities	—	—	—	—	—	—	—	—	—	—	—	—	(13,020)	—	—	(13,020)	(13,020)
Accretion of redeemable non-controlling interest	—	—	—	—	—	—	(3,962)	—	—	—	—	(3,962)	—	—	—	—	(3,962)
Equity reallocation	—	—	—	—	—	—	(560)	—	—	—	—	(560)	560	—	—	560	—
Balance as of December 31, 2016	92,477	$ 920	48,202	$ 482	—	$ —	$ 1,467,108	$ (234,440)	$ 22,912	(254)	$ (4,025)	$ 1,252,957	$ 1,792,295	$ (312,847)	$ (14,406)	$ 1,465,042	$ 2,717,999

(1) Excludes $8,512 of net income attributable to redeemable non-controlling interests.
(2) Excludes $18,365 of net income attributable to redeemable non-controlling interests.

See accompanying notes to consolidated financial statements.

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

	Year Ended December 31,		
	2016	**2015**	**2014**
Cash flows from operating activities:			
Net loss	$ (241,507)	$ (208,135)	$ (81,923)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation, accretion and amortization expense	243,365	161,310	41,280
Amortization of favorable and unfavorable rate revenue contracts, net	40,219	5,304	4,190
Goodwill impairment	55,874	—	—
Impairment of renewable energy facilities	18,951	—	—
Amortization of deferred financing costs and debt discounts	24,160	27,028	25,793
Unrealized loss on U.K. interest rate swaps	24,209	—	—
Unrealized loss on commodity contract derivatives, net	11,773	1,413	—
Recognition of deferred revenue	(16,527)	(9,909)	(258)
Stock-based compensation expense	6,059	13,125	5,787
Unrealized loss on foreign currency exchange, net	15,795	22,343	11,920
Loss (gain) on extinguishment of debt, net	1,079	16,156	(7,635)
Loss on prepaid warranty - affiliate	—	45,380	—
Loss on investments and receivables - affiliate	3,336	16,079	—
Deferred taxes	375	(13,497)	(4,773)
Other, net	2,542	9,395	(9,257)
Changes in assets and liabilities:			
Accounts receivable	3,112	(11,272)	(3,431)
Prepaid expenses and other current assets	(8,585)	12,189	22,921
Accounts payable, accrued expenses and other current liabilities	(1,156)	19,887	4,062
Deferred revenue	4,803	19,383	71,129
Due to SunEdison, net	—	—	4,422
Other, net	3,932	(1,919)	—
Net cash provided by operating activities	191,809	124,260	84,227
Cash flows from investing activities:			
Cash paid to third parties for renewable energy facility construction	(45,869)	(647,561)	(1,122,293)
Acquisitions of renewable energy facilities from third parties, net of cash acquired	(4,064)	(2,471,600)	(644,890)
Change in restricted cash	(13,772)	(48,609)	23,635
Due to SunEdison, net	—	(26,153)	(56,088)
Other investments	—	(8,400)	—
Net cash used in investing activities	$ (63,705)	$ (3,202,323)	$ (1,799,636)

See accompanying notes to consolidated financial statements.

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

	Year Ended December 31,		
	2016	**2015**	**2014**
Cash flows from financing activities:			
Proceeds from issuance of Class A common stock	$ —	$ 921,610	$ 770,421
Proceeds from Senior Notes due 2023	—	945,962	—
Proceeds from Senior Notes due 2025	—	300,000	—
Proceeds from Term Loan	—	—	575,000
Repayment of Term Loan	—	(573,500)	(1,500)
Proceeds from bridge loan	—	—	400,000
Repayment of bridge loan	—	—	(400,000)
Proceeds from Revolver	—	890,000	—
Repayment of Revolver	(103,000)	(235,000)	—
Borrowings of non-recourse long-term debt	86,662	1,450,707	471,923
Principal payments on non-recourse long-term debt	(156,042)	(517,600)	(341,191)
Due to SunEdison, net	(32,256)	(138,923)	199,369
Sale of membership interests in renewable energy facilities	16,685	349,736	164,742
Distributions to non-controlling interests	(23,784)	(28,145)	(1,323)
Repurchase of non-controlling interests in renewable energy facilities	(486)	(63,198)	—
Distributions to SunEdison	—	(58,291)	—
Net SunEdison investment	42,463	149,936	405,062
Payment of dividends	—	(88,705)	(7,249)
Debt financing fees	(17,436)	(59,672)	(54,060)
Debt prepayment premium	—	(6,412)	—
Change in restricted cash for principal debt service	—	—	1,897
Net cash (used in) provided by financing activities	(187,194)	3,238,505	2,183,091
Net (decrease) increase in cash and cash equivalents	(59,090)	160,442	467,682
Effect of exchange rate changes on cash and cash equivalents	(2,172)	(2,401)	(172)
Cash and cash equivalents at beginning of period	626,595	468,554	1,044
Cash and cash equivalents at end of period	$ 565,333	$ 626,595	$ 468,554

See accompanying notes to consolidated financial statements.

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

	Year Ended December 31,		
	2016	2015	2014
Supplemental Disclosures:			
Cash paid for interest, net of amounts capitalized of $1,610, $22,718 and $19,694, respectively	$ 257,269	$ 114,452	$ 79,867
Cash paid for income taxes	—	—	—
Schedule of non-cash activities:			
Additions to renewable energy facilities in accounts payable, accrued expenses and other current liabilities	$ —	$ 6,034	$ 15,046
Additions to renewable energy facilities in Due from SunEdison	—	—	9,780
Additions of asset retirement obligation (ARO) assets and liabilities	2,132	52,181	34,414
Revisions in estimates for asset retirement obligations	(7,920)	—	—
Adjustment to asset retirement obligations related to change in accretion period	(22,204)	—	—
ARO assets and obligations from acquisitions	136	74,293	29,450
Long-term debt assumed in connection with acquisitions	—	667,384	550,936
Amortization of deferred financing costs included as construction in progress	—	—	17,589
Decrease in Due to SunEdison in exchange for equity	—	—	14,768
Issuance of B1 common stock to Riverstone for Mt. Signal	—	—	146,000
Non-controlling interest in Terra LLC (Class B units) issued in connection with the initial public offering	—	—	634,963
Non-controlling interest in Terra LLC (Class B1 units) issued in connection with the initial public offering	—	—	57,633
Write-off of pre-IPO U.S. deferred tax assets and liabilities	—	—	3,616

See accompanying notes to consolidated financial statements.

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Nature of Operations

TerraForm Power, Inc. ("TerraForm Power") and its subsidiaries (together with TerraForm Power, the "Company") is a controlled affiliate of SunEdison, Inc. (together, with its consolidated subsidiaries excluding the Company and TerraForm Global, Inc. and its subsidiaries, "SunEdison"). TerraForm Power is a holding company and its sole asset is an equity interest in TerraForm Power, LLC ("Terra LLC" or "the Predecessor"), an owner and operator of renewable energy facilities that have long-term contractual arrangements to sell the electricity generated by these facilities to third parties. The related green energy certificates, ancillary services and other environmental attributes generated by these facilities are also sold to third parties. TerraForm Power is the managing member of Terra LLC and operates, controls and consolidates the business affairs of Terra LLC.

The SunEdison Bankruptcy and the Brookfield Sponsorship Transaction

On April 21, 2016, SunEdison Inc. and certain of its domestic and international subsidiaries (the "SunEdison Debtors") voluntarily filed for protection under Chapter 11 of the U.S. Bankruptcy Code (the "SunEdison Bankruptcy"). The Company is not a part of the SunEdison Bankruptcy and has no plans to file for bankruptcy itself. The Company does not rely on SunEdison for funding or liquidity and believes that the Company will have sufficient liquidity to support its ongoing operations, absent the potential negative impact of default conditions that could arise from failure to meet financial statement deadlines as described below. The Company believes its equity interests in its renewable energy facilities that are legally owned by the Company’s subsidiaries are not available to satisfy the claims of the creditors of the SunEdison Bankruptcy.

In anticipation of and in response to SunEdison’s financial and operating difficulties, which culminated in the SunEdison Bankruptcy, at the direction of its Board of Directors (the "Board"), the Company has undertaken, and continues to undertake, a number of strategic initiatives to mitigate the adverse impacts of the SunEdison Bankruptcy on the Company. These initiatives focused on governance, operations and business performance initiatives deemed especially critical because SunEdison provided all personnel and services to the Company (other than those operational services provided by third parties). These initiatives include, among other things, developing continuity plans, establishing stand-alone information technology, accounting and other systems and infrastructure, directly hiring employees and retaining backup or replacement operation and maintenance ("O&M") and asset management services for the Company's wind and solar facilities from other providers.

As part of this overall strategic review process, the Company also initiated a process for the exploration and evaluation of potential strategic alternatives for the Company, including potential transactions to secure a new sponsor or sell the Company. This process resulted in the Company's entry into a definitive merger and sponsorship transaction agreement (the “Merger Agreement”) with certain affiliates of Brookfield Asset Management, Inc. (“Brookfield”) on March 6, 2017. Subject to the satisfaction of conditions precedent described below, these affiliates would hold approximately 51% of the Class A shares of TerraForm Power following the consummation of the merger of an affiliate of Brookfield with and into the Company (the "Merger"). In addition, the Merger Agreement provides that at or prior to the closing of the Merger, the Company will enter into a series of sponsorship documents with Brookfield and its affiliates as are more fully described in *Note 20. Related Parties* and *Note 11. Long-term Debt*.

Concurrently with the Company's entry into the Merger Agreement, the Company and SunEdison also entered into a settlement agreement (the “Settlement Agreement”). Under the Settlement Agreement, in connection with the closing of the Merger, SunEdison will exchange its Class B units of Terra LLC for 48,202,310 Class A shares of TerraForm Power, plus an incremental amount of Class A shares such that immediately prior to the consummation of the Merger, SunEdison will hold an aggregate number of Class A shares equal to 36.9% of the Company’s fully diluted share count. As a result of and following completion of the exchange, all of the issued and outstanding shares of Class B common stock of the Company will be redeemed and retired. In addition, also as part of the settlement, SunEdison agreed to deliver the outstanding incentive distribution rights of Terra LLC (the “IDRs”) held by SunEdison or certain of its affiliates to TerraForm Power or its designee and in connection therewith, concurrently with the execution and delivery of the Merger Agreement, TerraForm Power, Terra LLC, BRE Delaware, Inc. (the “Brookfield IDR Holder”) and SunEdison and certain of its affiliates have entered into an Incentive Distribution Rights Transfer Agreement (the “IDR Transfer Agreement”), pursuant to which certain SunEdison affiliates will transfer all of the IDRs to Brookfield IDR Holder at the effective time of the Merger. SunEdison also executed and delivered a voting and support agreement (the "Voting and Support Agreement"), pursuant to which it has agreed to vote or cause to be voted any shares of common stock of TerraForm Power held by it or any of its controlled affiliates in favor of the

Merger and to take certain other actions to support the consummation of the transaction. Upon the consummation of the Merger or other transaction jointly supported by the Company and SunEdison, all agreements between the Company and the SunEdison Debtors will be rejected, subject to certain limited exceptions, and the Company will be deemed to have no damages, claims or liabilities arising from those rejections.

The closing of the Merger is subject to conditions, including a non-waivable condition to closing that the Merger Agreement and the transactions contemplated thereby be approved by holders of a majority of the outstanding Class A shares, excluding SunEdison, Brookfield, any of their respective affiliates or any person with whom any of them has formed (and not terminated) a "group" (as such term is defined in the Securities Exchange Act of 1934, as amended). Additional conditions include the adoption of the Merger Agreement by the holders of a majority of the total voting power of the outstanding shares of the Company's common stock entitled to vote on the Merger and other customary closing conditions. Certain conditions have been satisfied including (1) the entry by the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") of orders authorizing and approving the entry by SunEdison (and, if applicable, SunEdison's debtor affiliates) into the Settlement Agreement, the Voting and Support Agreement and any other agreement entered into in connection with the Merger or the other transactions contemplated thereby to which SunEdison or any other debtor will be a party, (2) the expiration or early termination of the waiting period applicable to consummation of the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and (3) the closing of the sale of substantially all of the Company's U.K. solar facilities as described in *Note 4. Assets Held for Sale*. There is no financing condition to the consummation of the transactions contemplated by the Merger Agreement.

The Merger Agreement contains specified termination rights, including the right for each of the Company or a Brookfield affiliate to terminate the Merger Agreement if the Merger is not consummated by December 6, 2017, subject to extension until March 6, 2018 to obtain required regulatory approvals. The Merger Agreement also provides for other customary termination rights for both the Company and a Brookfield affiliate, as well as a mutual termination right in the event that the Settlement Agreement is terminated in accordance with its terms. In the event the Merger Agreement is terminated by either the Company or a Brookfield affiliate due to the failure to obtain the requisite stockholder approvals or the termination of the Settlement Agreement, and the Board did not change its recommendation to the Company's stockholders to approve the Merger, the Company will pay to a Brookfield affiliate all reasonable and documented out-of-pocket expenses incurred in connection with the Merger Agreement, in an amount not to exceed $17.0 million. The Merger Agreement further provides that upon termination of the Merger Agreement under certain other specified circumstances, the Company will be required to pay a Brookfield affiliate a termination fee of $50.0 million. The Company's obligation to pay any combination of out-of-pocket expenses or termination fees shall not in any event exceed $50.0 million.

The Settlement Agreement has been approved by the Bankruptcy Court. However, the settlements, mutual release and certain other terms and conditions of the Settlement Agreement will only become effective upon the consummation of the Merger or other transaction jointly supported by the Company and SunEdison or upon a "Stand-Alone Conversion." SunEdison may elect to effect a Stand-Alone Conversion if the Merger is not consummated due to the failure to receive the requisite stockholder vote and SunEdison is otherwise in compliance with the Settlement Agreement and the Voting and Support Agreement. Upon a Stand-Alone Conversion, SunEdison would exchange its Class B units in Terra LLC and its Class B shares in TerraForm Power for newly issued Class A common stock constituting 36.9% of the aggregate issued and outstanding Class A common stock on a fully diluted basis. SunEdison would also be required to deliver a customary voting agreement and an irrevocable proxy in customary form and substance reasonably acceptable to the Company and the holder of the Class A common stock issued to SunEdison, which may be SunEdison or a third party that receives the Class A common stock as part of a distribution in connection with SunEdison's plan of reorganization. This voting agreement would require the applicable stockholder, for a period of one year from the date of the Stand-Alone Conversion, to vote one-half of its voting power in the same proportion of the votes cast by stockholders not a party to a similar voting agreement, which would effectively reduce the voting power of the applicable stockholder.

As part of these strategic initiatives, the Company has also been working to obtain waivers or forbearance of defaults that have arisen as a result of the SunEdison Bankruptcy and the delays in the completion of the Company's corporate and project-level audits. In most of the Company's debt-financed projects, SunEdison Debtors are a party to a material project agreement or guarantor thereof, such as being a party to or guarantor of an asset management or O&M contract. As a result of the SunEdison Bankruptcy and delays in delivery of audited financial statements for certain project-level subsidiaries in 2016, among other things, the Company experienced defaults under most of its non-recourse financing agreements. During the course of 2016 and to date in 2017, the Company obtained waivers or temporary forbearances with respect to most of these defaults and has transitioned, or is working to transition, the project-level services provided by SunEdison Debtors to third parties or in-house to a Company affiliate; however, certain of these defaults persist. Moreover, the Company has experienced, or expects to experience, additional defaults under most of the same non-recourse financing agreements in 2017 as the result of the failure to timely complete Company or project-level audits. The Company is working to complete these audits and seeking to cure or obtain waivers of such defaults. To date none of the non-recourse financings has been accelerated and no project-level lender has notified the Company of such lenders election to enforce project security interests, although no assurances can be given that the Company will obtain waivers and/or permanent forbearance of existing or future defaults or that none of the financings will be accelerated. The Company's corporate-level revolving credit facility and senior note indentures do not include an event of default provision directly triggered by the occurrence of the SunEdison Bankruptcy.

Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

As described above, SunEdison filed for bankruptcy on April 21, 2016. The Company is not a part of the SunEdison Bankruptcy and has no plans to file for bankruptcy itself. The Company does not rely on SunEdison for funding or liquidity and believes that it will have sufficient liquidity to support its ongoing operations, absent the potential negative impact of default conditions that could arise from failure to meet financial statement deadlines as described below. The Company believes its equity interests in its renewable energy facilities that are legally owned by the Company's subsidiaries are not available to satisfy the claims of the creditors of the SunEdison Bankruptcy. However, we believe the SunEdison Bankruptcy and the related impacts raise substantial doubt about our ability to continue as a going concern for the following reasons:

- Prior to the SunEdison Bankruptcy, we relied almost exclusively on the personnel and management and administration services provided by or under the direction of SunEdison. Subsequent to the SunEdison Bankruptcy, we have incurred and expect to continue to incur significant costs procuring these services from unaffiliated third parties. In addition, if we are unable to replace these services or key personnel in the future, this would restrict our ability to timely complete Company or project-level audits as required by our corporate and non-recourse financing arrangements.
- We experienced covenant defaults under most of our financing arrangements in 2016, mainly because of delays in the delivery of project-level audited financial statements and the delay in the filing of the Company’s audited annual financial statements for 2015 on Form 10-K, which was filed in December of 2016. In addition, in a number of cases the SunEdison Bankruptcy resulted in defaults because SunEdison Debtors have been serving as O&M and asset management services providers or as guarantors under relevant contracts. We have been working diligently with our lenders to cure or waive instances of default, including through the completion of project-level audits and the retention of replacement service providers. However, there can be no assurance that all remaining defaults will be cured or waived, and we have experienced, or expect to experience, additional defaults under most of the same non-recourse financing agreements in 2017 as the result of the failure to timely complete Company or project-level audits. If the remaining or future defaults are not cured or waived, this would restrict the ability of the relevant project-level subsidiaries to make distributions to us, which may affect our ability to meet certain covenants related to our revolving credit facility at the corporate level, or entitle the related lenders to demand repayment or enforce their security interests, which could have a material adverse effect on our business, results of operations, financial condition and ability to pay dividends. If this were to occur, the Company would not have sufficient liquidity to meet its obligations.
- Finally, there is a risk that an interested party in the SunEdison Bankruptcy could request that the assets and liabilities of the Company be substantively consolidated with SunEdison. Bankruptcy courts have broad equitable powers, and thus, outcomes in bankruptcy proceedings are inherently difficult to predict. To the extent the Bankruptcy Court were to determine that substantive consolidation was appropriate under the Company's facts and circumstances, the assets and liabilities of the Company could be made available to help satisfy the debt or contractual obligations of SunEdison. While it has not been requested to date and we believe there is no basis for substantive consolidation in our circumstances, we cannot assure you that substantive consolidation will not be requested in the future or that the Bankruptcy Court would not consider it.

As described above under *"The SunEdison Bankruptcy and the Brookfield Sponsorship Transaction,"* the Company has undertaken, and continues to undertake, a number of strategic initiatives to mitigate the adverse impacts of the SunEdison Bankruptcy on the Company. While the Company believes that the actions described above are more likely than not to address the substantial doubt surrounding our ability to continue as a going concern, we cannot assert that it is probable that management's plans will fully mitigate the conditions identified. If we cannot continue as a going concern, material adjustments to the carrying values and classifications of our assets and liabilities and the reported amounts of income and expense could be required.

Basis of Presentation

The Company is required to recast historical financial statements when renewable energy facilities are acquired from SunEdison. The recast reflects the assets and liabilities, results of operations and cash flows of the acquired renewable energy facilities for the period the facilities were owned by SunEdison, which is in accordance with applicable rules governing transactions between entities under common control.

For the period prior to the Company's initial public offering ("IPO") on July 23, 2014, the accompanying consolidated financial statements represent the combination of TerraForm Power and Terra LLC, the accounting predecessor, and were prepared using SunEdison's historical basis in assets and liabilities. For all periods subsequent to the IPO, the accompanying consolidated financial statements represent the results of TerraForm Power, which consolidates Terra LLC through its controlling interest.

The historical financial statements of the Predecessor include allocations of certain SunEdison corporate expenses and income tax expense. Management believes the assumptions and methodology underlying the allocation of general corporate overhead expenses are reasonable. Subsequent to the IPO, general and administrative expenses represent actual costs incurred directly by the Company and general and administrative expenses - affiliate represent costs incurred by SunEdison for services provided to the Company pursuant to the MSA, as more fully described in *Note 20. Related Parties*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

In preparing the consolidated financial statements, the Company used estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements. Such estimates also affect the reported amounts of revenues, expenses and cash flows during the reporting period. To the extent there are material differences between the estimates and actual results, the Company's future results of operations would be affected.

Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). They include the results of wholly owned and partially owned subsidiaries in which the Company has a controlling interest with all significant intercompany accounts and transactions eliminated. The Company consolidates variable interest entities ("VIEs") in renewable energy facilities when determined to be the primary beneficiary.

Variable Interest Entities

As discussed below, as of January 1, 2016, the Company adopted Accounting Standards Update ("ASU") No. 2015-02, *Consolidation (Topic 810) Amendments to the Consolidation Analysis*. The standard makes changes to both the variable interest entity model and the voting interest model, including modifying the evaluation of whether limited partnerships or similar legal entities are VIEs or voting interest entities ("VOEs"), amending the guidance for assessing how relationships of related parties affect the consolidation analysis of VIEs and modifying the evaluation of fees paid to a decision maker or service provider as a variable interest and in determination of the primary beneficiary in the consolidation analysis. The adoption of the standard did not result in any changes to the Company's previous consolidation conclusions; however, it did result in certain of its consolidated subsidiaries being considered VIEs.

VIEs are entities that lack one or more of the characteristics of a voting interest entity. The Company has a controlling financial interest in a VIE when its variable interest or interests provide it with (i) the power to direct the activities of the VIE that most significantly impact the VIE’s economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

VOEs are entities in which (i) the total equity investment at risk is sufficient to enable the entity to finance its activities independently and (ii) the equity holders have the power to direct the activities of the entity that most significantly impact its economic performance, the obligation to absorb the losses of the entity and the right to receive the residual returns of the entity. The usual condition for a controlling financial interest in a voting interest entity is ownership of a majority voting interest. If the Company has a majority voting interest in a voting interest entity, the entity is consolidated.

For the Company's consolidated VIEs, the Company has presented on its consolidated balance sheets, to the extent material, the assets of its consolidated VIEs that can only be used to settle specific obligations of the consolidated VIE, and the liabilities of its consolidated VIEs for which creditors do not have recourse to the Company's general assets outside of the VIE.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and money market funds with original maturity periods of three months or less when purchased. As of December 31, 2016 and 2015, cash and cash equivalents included $57.6 million and $81.1 million, respectively, of unrestricted cash held at project-level subsidiaries, which was available for project expenses but not available for corporate use.

Restricted Cash

Restricted cash consists of cash on deposit in financial institutions that is restricted to satisfy the requirements of certain debt agreements and funds held within the Company's project companies that are restricted for current debt service payments and other purposes in accordance with the applicable debt agreements. These restrictions include: (i) cash on deposit in collateral accounts, debt service reserve accounts and maintenance reserve accounts; and (ii) cash on deposit in operating accounts but subject to distribution restrictions related to debt defaults existing as of the balance sheet date.

As discussed in *Note 11. Long-term Debt*, the Company was in default under certain of its non-recourse financing agreements as of the financial statement issuance date for the years ended December 31, 2016 and 2015. As a result, the Company reclassified $65.3 million and $61.1 million, respectively, of long-term restricted cash to current as of December 31, 2016 and 2015, consistent with the corresponding debt classification, as the restrictions that required the cash balances to be classified as long-term restricted cash were driven by the financing agreements. As of December 31, 2016, $67.1 million of cash and cash equivalents was also reclassified to current restricted cash as the cash balances were subject to distribution restrictions related to debt defaults that existed as of the balance sheet date. $33.8 million of this reclassification amount was reclassified from current restricted cash to assets held for sale as it related to the portfolios discussed in *Note 4. Assets Held for Sale*. No similar reclassifications were made as of December 31, 2015, as these defaults and distribution restrictions did not exist as of the balance sheet date for that period.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are reported on the consolidated balance sheets, including both billed and unbilled amounts, and are adjusted for any write-offs as well as the allowance for doubtful accounts. The Company establishes an allowance for doubtful accounts to adjust its receivables to amounts considered to be ultimately collectible and charges to the allowance are recorded within general and administrative expenses in the consolidated statements of operations. The Company's allowance is based on a variety of factors, including the length of time receivables are past due, significant one-time events, the financial health of its customers and historical experience. The allowance for doubtful accounts was $3.2 million and $2.7 million as of December 31, 2016 and 2015, respectively, and charges to the allowance recorded within general and administrative expenses for the years ended December 31, 2016 and 2015 were $0.5 million and $2.7 million, respectively. There were no charges to the allowance recorded for the year ended December 31, 2014. Accounts receivable are written off in the period in which the receivable is deemed uncollectible and collection efforts have been exhausted. There were no write-offs of accounts receivable for the years ended December 31, 2016, 2015 and 2014.

Renewable Energy Facilities

Renewable energy facilities consist of solar generation facilities and wind power plants that are stated at cost. Expenditures for major additions and improvements are capitalized, and minor replacements, maintenance and repairs are charged to expense as incurred. When renewable energy facilities are retired, or otherwise disposed of, the cost and accumulated depreciation is removed from the consolidated balance sheet and any resulting gain or loss is included in the results of operations for the respective period. Depreciation of renewable energy facilities is recognized using the straight-line method over the estimated useful lives of the renewable energy facilities, which range from 20 to 30 years for the Company's solar generation facilities. Effective October 1, 2016, the Company changed its estimates of the useful lives of the major components of its wind power plants to better reflect the estimated periods during which these major components will remain in service. These major components comprising our wind power plants have remaining useful lives ranging from 5 to 41 years and have an overall weighted average remaining useful life of 24 years as of October 1, 2016. This prospective change in estimate increased depreciation expense and net loss by $1.9 million for the quarter and year ended December 31, 2016 and increased basic and diluted loss per share by $0.02 for the quarter and year ended December 31, 2016.

Intangibles

The Company's intangible assets and liabilities represent revenue contracts, consisting of long-term power purchase agreements ("PPAs") and renewable energy certificates ("RECs"), lease agreements and O&M contracts that were obtained through third party acquisitions. The revenue contract intangibles are comprised of favorable and unfavorable rate PPAs and REC agreements and the in-place value of market rate PPAs. The lease agreement intangibles are comprised of favorable and unfavorable rate land leases, and the O&M contract intangibles consist of unfavorable rate O&M contracts. Intangible assets and liabilities that have determinable estimated lives are amortized over those estimated lives. Amortization of favorable and unfavorable rate revenue contracts is recorded within operating revenues, net in the consolidated statements of operations. Amortization expense related to the in-place value of market rate revenue contracts is recorded within depreciation, accretion and amortization expense in the consolidated statements of operations, and amortization of favorable and unfavorable rate land leases and unfavorable rate O&M contracts is recorded within cost of operations. The straight-line method of amortization is used because it best reflects the pattern in which the economic benefits of the intangibles are consumed or otherwise used up. The amounts and useful lives assigned to intangible assets and liabilities acquired impact the amount and timing of future amortization.

Impairment of Renewable Energy Facilities and Intangibles

Long-lived assets that are held and used are reviewed for impairment whenever events or changes in circumstances indicate carrying values may not be recoverable. An impairment loss is recognized if the total future estimated undiscounted cash flows expected from an asset are less than its carrying value. An impairment charge is measured as the difference between an asset's carrying amount and fair value. Fair values are determined by a variety of valuation methods, including appraisals, sales prices of similar assets and present value techniques. During the year ended December 31, 2016, the Company recognized a $19.0 million impairment charge related to its portfolio of residential rooftop solar assets as reflected within impairment of renewable energy facilities in the consolidated statement of operations (see *Note 4. Assets Held for Sale* for further discussion). There were no impairments of renewable energy facilities or intangibles recognized during the years ended December 31, 2015 and 2014.

Goodwill

Goodwill represents the excess of the purchase price of acquired businesses over the estimated fair value assigned to the individual assets acquired and liabilities assumed. The Company does not amortize goodwill, but instead evaluates goodwill for impairment at least annually on December 1st. The Company performs an impairment test between scheduled annual tests if facts and circumstances indicate that it is more-likely-than-not that the fair value of a reporting unit that has goodwill is less than its carrying value.

The Company may first make a qualitative assessment of whether it is more-likely-than-not that a reporting unit's fair value is less than its carrying value to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. The qualitative impairment test includes considering various factors including macroeconomic conditions, industry and market conditions, cost factors, a sustained share price or market capitalization decrease and any reporting unit specific events. If it is determined through the qualitative assessment that a reporting unit's fair value is more-likely-than-not greater than its carrying value, the two-step impairment test is not required. If the qualitative assessment indicates it is more-likely-than-not that a reporting unit's fair value is not greater than its carrying value, the Company must perform the two-step impairment test. The Company may also elect to proceed directly to the two-step impairment test without considering such qualitative factors.

The first step in the two-step impairment test is the comparison of the fair value of a reporting unit with its carrying amount, including goodwill. The Company defines its reporting units to be consistent with its reportable segments. In accordance with the authoritative guidance over fair value measurements, the Company defines the fair value of a reporting unit as the price that would be received to sell the unit as a whole in an orderly transaction between market participants at the measurement date. The Company primarily uses the income approach methodology of valuation, which uses the discounted cash flow method, to estimate the fair values of the Company's reporting units. The Company does not believe that a cost approach is relevant to measuring the fair values of its reporting units.

Significant management judgment is required when estimating the fair value of the Company's reporting units, including the forecasting of future operating results, the discount rates and expected future growth rates that it uses in the discounted cash flow method of valuation, and in the selection of comparable businesses that are used in the market approach. If the estimated fair value of the reporting unit exceeds the carrying value assigned to that unit, goodwill is not impaired and no further analysis is required.

If the carrying value assigned to a reporting unit exceeds its estimated fair value in the first step, then the Company is required to perform the second step of the impairment test. In this step, the Company assigns the fair value of the reporting unit calculated in step one to all of the assets and liabilities of that reporting unit as if a market participant just acquired the reporting unit in a business combination. The excess of the fair value of the reporting unit determined in the first step of the impairment test over the total amount assigned to the assets and liabilities in the second step of the impairment test represents the implied fair value of goodwill. If the carrying value of a reporting unit's goodwill exceeds the implied fair value of goodwill, the Company would record an impairment loss equal to the difference. The Company recorded a goodwill impairment charge of $55.9 million for the year ended December 31, 2016 as reflected in the consolidated statement of operations (see *Note 8. Goodwill* for further discussion).

Capitalized Interest

Interest incurred on funds borrowed to finance construction of renewable energy facilities is capitalized until the system is ready for its intended use. The amount of interest capitalized during the years ended December 31, 2016, 2015 and 2014 was $1.6 million, $22.7 million and $19.7 million, respectively.

Financing Lease Obligations

Certain of the Company's assets were financed with sale-leaseback arrangements. Proceeds received from a sale-leaseback are treated using the deposit method when the sale of the renewable energy facility is not recognizable. A sale is not recognized when the leaseback arrangements include a prohibited form of continuing involvement, such as an option or obligation to repurchase the assets under the Company's master lease agreements. Under these arrangements, the Company does not recognize any profit until the sale is recognizable, which the Company expects will be at the end of the arrangement when the contract is canceled and the initial deposits received are forfeited by the financing party.

The Company is required to make rental payments over the course of the leaseback arrangements. These payments are allocated between principal and interest payments using an effective yield method.

Deferred Financing Costs

Financing costs incurred in connection with obtaining construction and term financing are deferred and amortized over the maturities of the respective financing arrangements using the effective interest method. As discussed below, as of January 1, 2016, the Company adopted ASU No. 2015-03, *Interest - Imputation of Interest (Subtopic 835-30) Simplifying the Presentation of Debt Issuance Costs* and ASU No. 2015-15 *Interest - Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements* and reclassified deferred financing costs to be presented as a direct deduction from the carrying amount of the related debt in both the current and prior periods, with the exception of the costs related to the Company's senior secured revolving credit facility, which are still presented as a non-current asset on the balance sheet. Amortization of deferred financing costs is capitalized during construction and recorded as interest expense in the consolidated statements of operations following achievement of commercial operation.

Asset Retirement Obligations

Asset retirement obligations are accounted for in accordance with ASC 410-20, *Asset Retirement Obligations*. Retirement obligations associated with renewable energy facilities included within the scope of ASC 410-20 are those for which a legal obligation exists under enacted laws, statutes, and written or oral contracts, and for which the timing and/or method of settlement may be conditional on a future event. Asset retirement obligations are recognized at fair value in the period in which they are incurred and the carrying amount of the related renewable energy facility is correspondingly increased. Over time, the liability is accreted to its expected future value. The corresponding renewable energy facility that is capitalized at inception is depreciated over its useful life. Historically, the Company accreted its asset retirement obligations over the term of the related PPA agreement. During the fourth quarter of 2016, the Company revised the accretion period and determined that these obligations should be accreted to expected future value over the remaining useful life of the corresponding renewable energy facility, consistent with the depreciation expense that is recorded on the asset retirement cost recognized within renewable energy facilities and with its estimate of the future timing of settlement. This change in accretion period and related estimate associated with the timing of the original undiscounted cash flows resulted in a $22.2 million reduction in the Company's asset retirement obligation and corresponding renewable energy facility carrying amount as of December 31, 2016. The Company also recorded an adjustment during the fourth quarter of 2016 to reduce previously reported accretion and depreciation expense by $4.4 million as a result of this change. $2.9 million of the accretion and depreciation expense reduction related to amounts previously reported for the year ended December 31, 2015. The quarterly accretion and depreciation expense reduction that related to each of the first three quarters of 2016 was $0.5 million. Management performed an assessment of the balance sheet and income statement impact on its previously issued filings and determined it to be immaterial.

The Company generally reviews its asset retirement obligations annually, based on its review of updated cost studies and its evaluation of cost escalation factors. The Company evaluates newly assumed costs or substantive changes in previously assumed costs to determine if the cost estimate impacts are sufficiently material to warrant application of the updated estimates to the asset retirement obligations. Changes resulting from revisions to the timing or amount of the original estimate of cash flows are recognized as an increase or a decrease in the asset retirement cost to the extent applicable. Effective December 31, 2016, the Company revised its original estimates of the costs and related amount of cash flows for certain of its asset retirement obligations which resulted in a $7.9 million reduction in the asset retirement obligation and related renewable energy facility carrying amount as of December 31, 2016. As this was a prospective change in estimate, there was no impact to accretion or depreciation expense for the year ended December 31, 2016 as a result of this change.

Revenue Recognition

Power Purchase Agreements

A significant majority of the Company's revenues are obtained through the sale of energy (based on MW) pursuant to terms of PPAs or other contractual arrangements which have a weighted average remaining life of 15 years as of December 31, 2016. Most of the Company's PPAs are accounted for as operating leases and have no minimum lease payments. Rental income under these leases is recorded as revenue when the electricity is delivered.

Incentive Revenue

The Company generates RECs as it produces electricity. RECs are accounted for as government incentives and are not considered output of the underlying renewable energy facilities. These RECs are currently sold pursuant to agreements with SunEdison, unaffiliated third parties and a certain debt holder, and revenue is recognized as the underlying electricity is generated if the sale has been contracted with the customer.

The Company also receives performance-based incentives ("PBIs") from public utilities in connection with certain sponsored programs. The Company has a PBI arrangement with the State of California whereby the Company will receive a fixed rate multiplied by the kilowatt hour ("kWh") production on a monthly basis for 60 months. The PBI revenue is recognized as energy is generated over the measurement-period. The Company recognizes revenue based on the rate applicable at the time the energy is created and adjusts the amount recognized when it meets the threshold that qualifies it for the higher rate. PBI in the state of Colorado has a 20-year term at a fixed-price per kWh produced. The revenue is recognized as energy is generated over the term of the agreement.

Deferred Revenue

Deferred revenue primarily consists of upfront incentives or subsidies received from various state governmental jurisdictions for operating certain of the Company's renewable energy facilities or from the sale of investment tax credits to non-controlling members. The amounts deferred are recognized as revenue on a straight-line basis over the depreciable life of the renewable energy facility or upon the contingency of claw-back of the tax credits resolve as the Company fulfills its obligation to operate these renewable energy facilities. Recognition of deferred revenue was $16.5 million, $9.9 million and $0.3 million during the years ended December 31, 2016, 2015 and 2014, respectively.

Income Taxes

The Company accounts for income taxes using the liability method, which requires that it use the asset and liability method of accounting for deferred income taxes and provide deferred income taxes for all significant temporary differences.

The Company reports certain of its revenues and expenses differently for financial statement purposes than for income tax return purposes, resulting in temporary and permanent differences between the Company's financial statements and income tax returns. The tax effects of such temporary differences are recorded as either deferred income tax assets or deferred income tax liabilities in the Company's consolidated balance sheets. The Company measures its deferred income tax assets and deferred income tax liabilities using income tax rates that are currently in effect. The Company believes it is more likely than not that the results of future operations will generate sufficient taxable income, which includes the future reversal of existing taxable temporary differences to realize deferred tax assets, net of valuation allowances. A valuation allowance is recorded to reduce the net deferred tax assets to an amount that is more-likely-than-not to be realized. Tax benefits are recognized when it is more-likely-than-not that a tax position will be sustained upon examination by the authorities. The benefit recognized from a position that has surpassed the more-likely-than-not threshold is the largest amount of benefit that is more than 50% likely to be realized upon settlement. The Company recognizes interest and penalties accrued related to uncertain tax benefits as a component of income tax expense. Changes to existing net deferred tax assets or valuation allowances or changes to uncertain tax benefits are recorded to income tax expense.

Non-controlling Interests and Hypothetical Liquidation at Book Value ("HLBV")

Non-controlling interests represent the portion of net assets in consolidated entities that are not owned by the Company and are reported as a component of equity in the consolidated balance sheets. Non-controlling interests in subsidiaries that are redeemable either at the option of the holder or at fixed and determinable prices at certain dates in the future are classified as redeemable non-controlling interests in subsidiaries between liabilities and stockholders' equity in the consolidated balance sheets. Redeemable non-controlling interests that are currently redeemable or redeemable after the passage of time are adjusted to their redemption value as changes occur. The Company applies the guidance in ASC 810-10 along with the SEC guidance in ASC 480-10-S99-3A in the valuation of redeemable non-controlling interests.

The Company has determined the allocation of economics between the controlling party and the third party for non-controlling interests does not correspond to ownership percentages for certain of its consolidated subsidiaries. In order to reflect the substantive profit sharing arrangements, the Company has determined that the appropriate methodology for determining the value of non-controlling interests is a balance sheet approach using the HLBV method. Under the HLBV method, the amounts reported as non-controlling interest on the consolidated balance sheets represent the amounts the third party investors could hypothetically receive at each balance sheet reporting date based on the liquidation provisions of the respective operating partnership agreements. HLBV assumes that the proceeds available for distribution are equivalent to the unadjusted, stand-alone net assets of each respective partnership, as determined under U.S. GAAP. The third party non-controlling interests in the consolidated statements of operations and statements of comprehensive loss are determined based on the difference in the carrying amounts of non-controlling interests on the consolidated balance sheets between reporting dates, adjusted for any capital transactions between the Company and third party investors that occurred during the respective period.

Where, prior to the commencement of operating activities for a respective renewable energy facility, HLBV results in an immediate change in the carrying value of non-controlling interest on the consolidated balance sheet due to the recognition of ITCs or other adjustments as required by the U.S. Internal Revenue Code, the Company defers the recognition of the respective adjustments and recognizes the adjustments in non-controlling interest on the consolidated statement of operations on a straight-line basis over the expected life of the underlying assets giving rise to the respective difference. Similarly, where the Company has acquired a controlling interest in a partnership and there is a resulting difference between the initial fair value of non-controlling interest and the value of non-controlling interest as measured using HLBV, the Company initially records non-controlling interest at fair value and amortizes the resulting difference over the remaining life of the underlying assets.

Contingencies

The Company is involved in conditions, situations or circumstances in the ordinary course of business with possible gain or loss contingencies that will ultimately be resolved when one or more future events occur or fail to occur. If some amount within a range of loss appears at the time to be a better estimate than any other amount within the range, that amount will be accrued. When no amount within the range is a better estimate than any other amount, the minimum amount in the range will be accrued. The Company continually evaluates uncertainties associated with loss contingencies and records a charge equal to at least the minimum estimated liability for a loss contingency when both of the following conditions are met: (i) information available prior to the issuance of the financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements; and (ii) the loss or range of loss can be reasonably estimated. Legal costs are expensed when incurred. Gain contingencies are not recorded until realized or realizable.

Derivative Financial Instruments

The Company recognizes its derivative instruments as assets or liabilities at fair value in the consolidated balance sheets. Accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated as part of a hedging relationship and the type of hedging relationship.

The effective portion of changes in fair value of derivative instruments designated as cash flow hedges is reported as a component of other comprehensive (loss) income. Changes in the fair value of these derivatives are subsequently reclassified into earnings in the period that the hedged transaction affects earnings. The ineffective portion of changes in fair value is recorded as a component of net loss in the consolidated statements of operations.

The change in fair value of undesignated derivative instruments is reported as a component of net loss in the consolidated statements of operations.

Fair Value Measurements

The Company performs fair value measurements defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at their fair values, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the assets or liabilities, such as inherent risk, transfer restrictions and risk of nonperformance.

In determining fair value measurements, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs. Assets and liabilities are categorized within a fair value hierarchy based upon the lowest level of input that is significant to the fair value measurement:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair values of the assets or liabilities.

The Company maintains various financial instruments recorded at cost in the consolidated balance sheets that are not required to be recorded at fair value. For cash and cash equivalents, restricted cash, accounts receivable, prepaid expenses and other current assets, accounts payable, accrued expenses and other current liabilities and due to SunEdison, net, the carrying amount approximates fair value because of the short-term maturity of the instruments. See *Note 14. Fair Value of Financial Instruments* for disclosures related to the fair value of the Company's derivative instruments and long-term debt.

Foreign Operations

The Company's reporting currency is the U.S. dollar. Certain of the Company's subsidiaries maintain their records in local currencies other than the U.S. dollar, which are their functional currencies. When a subsidiary's local currency is considered its functional currency, the Company translates its assets and liabilities to U.S. dollars using exchange rates in effect at the balance sheet date and its revenue and expense accounts to U.S. dollars at average exchange rates for the period. Translation adjustments are reported in accumulated other comprehensive income in stockholders' equity. Transaction gains and losses and changes in fair value of the Company's foreign exchange derivative contracts not accounted for under hedge accounting are included in results of operations as incurred. Loss on foreign currency exchange, net was $13.0 million, $19.5 million and $14.0 million during the years ended December 31, 2016, 2015 and 2014, respectively, as reported in the consolidated statements of operations.

Business Combinations

The Company accounts for its business combinations by recognizing in the financial statements the identifiable assets acquired, the liabilities assumed and any non-controlling interests in the acquiree at fair value at the acquisition date. The Company also recognizes and measures the goodwill acquired or a gain from a bargain purchase in the business combination and determines what information to disclose to enable users of an entity's financial statements to evaluate the nature and financial effects of the business combination. In addition, acquisition costs related to business combinations are expensed as incurred.

When the Company acquires renewable energy facilities, the purchase price is allocated to (i) the acquired tangible assets and liabilities assumed, primarily consisting of land, plant and long-term debt, (ii) the identified intangible assets and liabilities, primarily consisting of the value of favorable and unfavorable rate PPAs and REC agreements and the in-place value of market rate PPAs, (iii) non-controlling interests, and (iv) other working capital items based in each case on their fair values.

The Company generally uses independent appraisers to assist with the estimates and methodologies used such as a replacement cost approach, or an income approach or excess earnings approach. Factors considered by the Company in its analysis include considering current market conditions and costs to construct similar facilities. The Company also considers information obtained about each facility as a result of its pre-acquisition due diligence in estimating the fair value of the tangible and intangible assets and liabilities acquired or assumed. In estimating the fair value the Company also establishes estimates of energy production, current in-place and market power purchase rates, tax credit arrangements and operating and maintenance costs. A change in any of the assumptions above, which are subjective, could have a significant impact on the results of operations.

The allocation of the purchase price directly affects the following items in the consolidated financial statements:

- The amount of purchase price allocated to the various tangible and intangible assets, liabilities and non-controlling interests on the balance sheet;
- The amounts allocated to the value of favorable and unfavorable rate PPAs and REC agreements are amortized to revenue over the remaining non-cancelable terms of the respective arrangement. The amounts allocated to all other tangible assets and intangibles are amortized to depreciation or amortization expense, with the exception of favorable and unfavorable rate land leases and unfavorable rate O&M contracts which are amortized to cost of operations; and
- The period of time over which tangible and intangible assets and liabilities are depreciated or amortized varies, and thus, changes in the amounts allocated to these assets and liabilities will have a direct impact on the Company's results of operations.

Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing net loss attributable to Class A common stockholders by the number of weighted average ordinary shares outstanding during the period. Net loss attributable to Class A common stockholders is reduced by the amount of deemed dividends related to the accretion of redeemable non-controlling interest and dividends paid on Class A shares and participating RSAs. Diluted loss per share is computed by adjusting basic loss per share for the impact of weighted average dilutive common equivalent shares outstanding during the period. Common equivalent shares represent the incremental shares issuable for unvested restricted Class A common stock and redeemable shares of Class B and Class B1 common stock.

Stock-Based Compensation

Stock-based compensation expense for all share-based payment awards to employees who provide services to the Company is based on the estimated grant-date fair value. The Company recognizes these compensation costs net of an estimated forfeiture rate for only those shares expected to vest on a straight-line basis over the requisite service period of the award, which is generally the award vesting term. For ratable awards, the Company recognizes compensation costs for all grants on a straight-line basis over the requisite service period of the entire award.

Assets Held for Sale

The Company records assets held for sale at the lower of the carrying value or fair value less costs to sell. The following criteria are used to determine if property is held for sale: (i) management has the authority and commits to a plan to sell the property; (ii) the property is available for immediate sale in its present condition; (iii) there is an active program to locate a buyer and the plan to sell the property has been initiated; (iv) the sale of the property is probable within one year; (v) the property is being actively marketed at a reasonable price relative to its current fair value; and (vi) it is unlikely that the plan to sell will be withdrawn or that significant changes to the plan will be made.

In determining the fair value of the assets less costs to sell, the Company considers factors including current sales prices for comparable assets in the region, recent market analysis studies, appraisals and any recent legitimate offers. If the estimated fair value less costs to sell of an asset is less than its current carrying value, the asset is written down to its estimated fair value less costs to sell. Due to uncertainties in the estimation process, it is reasonably possible that actual results could differ from the estimates used in the Company's historical analysis. The Company's assumptions about project sale prices require significant judgment because the current market is highly sensitive to changes in economic conditions. The Company estimates the fair values of assets held for sale based on current market conditions and assumptions made by management, which may differ from actual results and may result in additional impairments if market conditions deteriorate.

When assets are classified as held for sale, the Company does not record depreciation or amortization for the respective renewable energy facilities or intangibles.

Recent Accounting Developments

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU No. 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. In March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606), Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, which clarifies how to apply the implementation guidance on principal versus agent considerations related to the sale of goods or services to a customer as updated by ASU No. 2014-09. ASU No. 2014-09 and ASU No. 2016-08 will become effective for the Company on January 1, 2018. Early application is permitted but not before January 1, 2017. ASU No. 2014-09 and ASU No. 2016-08 permit the use of either the retrospective or modified retrospective method. The Company is working through an adoption plan which includes the evaluation of revenue contracts compared to the new standards and evaluating the impact of the new standards on the Company's consolidated financial statements and related disclosures. The Company does not plan to adopt these standards prior to January 1, 2018.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements - Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires an entity's management to evaluate whether there is substantial doubt about the entity's ability to continue as a going concern and to provide related footnote disclosures. ASU No. 2014-15 is effective for interim and annual periods ending after December 15, 2016, with early adoption permitted for interim and annual reporting periods for which the financial statements have not been previously issued. The adoption of ASU No. 2014-15 on December 31, 2016 had no impact on the Company's consolidated financial statements, only the related disclosures. Refer to *Note 1. Nature of Operations and Basis of Presentation* for disclosures regarding management's evaluation of whether there is substantial doubt about the Company's ability to continue as a going concern.

In February 2015, the FASB issued ASU No. 2015-02, *Consolidation (Topic 810) Amendments to the Consolidation Analysis*, which affects the following areas of the consolidation analysis: limited partnerships and similar entities, evaluation of fees paid to a decision maker or service provider as a variable interest and in determination of the primary beneficiary, effect of related parties on the primary beneficiary determination and for certain investment funds. ASU No. 2015-02 is effective on a retrospective basis for the Company for the fiscal year ending December 31, 2016 and interim periods therein. The Company adopted ASU No. 2015-02 as of January 1, 2016, which resulted in certain of its consolidated subsidiaries to be considered variable interest entities. No unconsolidated investments were consolidated and no consolidated subsidiaries were deconsolidated as a result of implementing this standard.

In April 2015, the FASB issued ASU No. 2015-03, *Interest - Imputation of Interest (Subtopic 835-30) Simplifying the Presentation of Debt Issuance Costs*, which requires debt issuance costs related to a recognized debt liability to be presented on the balance sheet as a direct deduction from the carrying amount of that debt liability. In August 2015, the FASB issued ASU No. 2015-15 *Interest - Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements*, in which an entity may defer and present debt issuance costs associated with line-of-credit arrangements as an asset and subsequently amortize the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. ASU No. 2015-03 and ASU No. 2015-15 are effective on a retrospective basis for annual and interim periods beginning on or after December 15, 2015. The Company adopted ASU No. 2015-03 and ASU No. 2015-15 as of January 1, 2016, resulting in a reclassification of $39.4 million and $43.1 million from deferred financing costs, net (current and non-current portion) to long-term debt and financing lease obligations, including current portion, as of December 31, 2016 and 2015, respectively.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which primarily changes the lessee's accounting for operating leases by requiring recognition of lease right-of-use assets and lease liabilities. This standard is effective for annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the effect of ASU No. 2016-02 on its consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation - Stock Compensation (Topic 718)*. This update was issued as part of the FASB's simplification initiative and affects all entities that issue share-based payment awards to their employees. The amendments in this update cover such areas as the recognition of excess tax benefits and deficiencies, the classification of those excess tax benefits on the statement of cash flows, an accounting policy election for forfeitures, the amount an employer can withhold to cover income taxes and still qualify for equity classification and the classification of those taxes paid on the statement of cash flows. This update is effective for annual and interim periods beginning after December 15, 2016, with early adoption permitted if all provisions are adopted within the same period. The guidance is required to be applied either prospectively, retrospectively or using a modified retrospective transition method, depending on the area covered in the update. The Company is currently evaluating the effect of the standard on its ongoing financial reporting.

In March 2016, the FASB issued ASU No. 2016-06, *Derivatives and Hedging (Topic 815)*, which clarifies that determining whether the economic characteristics of a put or call are clearly and closely related to its debt host requires only an assessment of the four-step decision sequence outlined in FASB ASC paragraph 815-15-25-24. Additionally, entities are not required to separately assess whether the contingency itself is clearly and closely related. This standard is effective for annual and interim periods beginning after December 15, 2016, with early adoption permitted. The amendments in this update should be applied on a modified retrospective basis. The Company is currently evaluating the effect of this standard on its consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-07, *Investments - Equity Method and Joint Ventures (Topic 323)*. The amendments of ASU No. 2016-07 eliminate the requirement that when an investment qualifies for use of the equity method as a result of an increase in the level of ownership interest or degree of influence, an investor must adjust the investment, results of operations and retained earnings retroactively on a step-by-step basis as if the equity method had been in effect during all previous periods that the investment had been held. The amendments require that the equity method investor add the cost of acquiring the additional interest in the investee to the current basis of the investor's previously held interest and adopt the equity method of accounting with no retroactive adjustment to the investment. In addition, ASU No. 2016-07 requires that an entity that has an available-for-sale equity security that becomes qualified for the equity method of accounting recognize through earnings the unrealized holding gain or loss in accumulated other comprehensive income at the date the investment becomes qualified for use of the equity method. The guidance in ASU No. 2016-07 is effective for fiscal years beginning after December 15, 2016, and interim periods within those annual periods. The adoption of ASU No. 2016-07 is required to be applied prospectively and early adoption is permitted. The Company does not expect the standard to have an impact on its consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments*. The amendments of ASU No. 2016-15 were issued to address eight specific cash flow issues for which stakeholders have indicated to the FASB that a diversity in practice existed in how entities were presenting and classifying these items in the statement of cash flows. The issues addressed by ASU No. 2016-15 include but are not limited to the classification of debt prepayment and debt extinguishment costs, payments made for contingent consideration for a business combination, proceeds from the settlement of insurance proceeds, distributions received from equity method investees and separately identifiable cash flows and the application of the predominance principle. The amendments of ASU No. 2016-15 are effective for public entities for fiscal years beginning after December 15, 2017 and interim periods in those fiscal years. Early adoption is permitted, including adoption in an interim fiscal period with all amendments adopted in the same period. The adoption of ASU No. 2016-15 is required to be applied retrospectively. The Company is currently evaluating the impact of the standard on its consolidated statements of cash flows.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740), Intra-Entity Transfers of Assets Other Than Inventory*. The amendments of ASU No. 2016-16 were issued to improve the accounting for the income tax consequences of intra-entity transfers of assets other than inventory. Current GAAP prohibits the recognition of current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party which has resulted in diversity in practice and increased complexity within financial reporting. The amendments of ASU No. 2016-16 would require an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs and do not require new disclosure requirements. The amendments of ASU No. 2016-16 are effective for annual reporting periods beginning after December 15, 2017, and interim periods within those annual periods. Early adoption is permitted and the adoption of ASU No. 2016-16 should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. The Company does not expect this standard to have an impact on its consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-17, *Consolidation (Topic 810), Interests Held through Related Parties That Are under Common Control*. ASU No. 2016-17 updates ASU No. 2015-02. Under the amendments, a single decision maker is not required to consider indirect interests held through related parties that are under common control with the single decision maker to be the equivalent of direct interests in their entirety. Instead, a single decision maker is required to include those interests on a proportionate basis consistent with indirect interests held through other related parties. ASU No. 2016-17 is effective for annual reporting periods beginning after December 15, 2016, and interim periods within those annual periods, with early adoption permitted. The Company does not expect this standard to have an impact on its consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 320), Restricted Cash, a Consensus of the FASB Emerging Issues Task Force*. The amendments require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this update do not provide a definition of restricted cash or restricted cash equivalents. ASU No. 2016-18 is effective for fiscal years beginning after December 15, 2017 and interim periods within those fiscal years. The Company is currently evaluating the effect of this standard on its consolidated financial statements.

In December 2016, the FASB issued ASU No. 2016-19, *Technical Corrections and Improvements*. The amendments cover a wide range of topics in the Accounting Standards Codification, covering differences between original guidance and the Accounting Standards Codification, guidance clarification and reference corrections, simplification and minor improvements. The adoption of ASU No. 2016-19 is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2016. The Company is currently evaluating the effect of this standard on its consolidated financial statements.

In December 2016, the FASB issued ASU No. 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*. The amendments in this update are of a similar nature to the items typically addressed in ASU 2016-19, *Technical Corrections and Improvements*. However, the FASB decided to issue a separate update for technical corrections and improvements to Topic 606 and other Topics amended by ASU No. 2014-09 to increase stakeholders' awareness of the proposals and to expedite improvements to ASU No. 2014-09. The adoption of ASU No. 2016-20 is effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual periods. Early adoption is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company is currently evaluating the effect of this standard on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805), Clarifying the Definition of a Business*. The amendment seeks to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill and consolidation. The adoption of ASU No. 2017-01 is effective for annual periods beginning after December 15, 2017, including interim periods within those periods. The amendments should be applied prospectively on or after the effective dates. Accordingly, the adoption will not have an effect on the Company's historical financial statements. The Company is currently evaluating the effect of this standard on future consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles - Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment.* The amendment simplifies the accounting for goodwill impairment by removing Step 2 of the current test, which requires calculation of a hypothetical purchase price allocation. Under the revised guidance, goodwill impairment will be measured as the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill (currently Step 1 of the two step impairment test). Entities will continue to have the option to perform a qualitative assessment to determine if a quantitative impairment test is necessary. This updated guidance is not currently expected to impact the Company's financial reporting. The standard is effective January 1, 2020, with early adoption permitted, and must be adopted on a prospective basis.

In February 2017, the FASB issued ASU No. 2017-05, *Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets*. This ASU is meant to clarify the scope of ASC Subtopic 610-20, *Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets* and to add guidance for partial sales of nonfinancial assets. ASU No. 2017-05 is to be applied using a full retrospective method or a modified retrospective method as outlined in the guidance and is effective at the same time as ASU No. 2014-09. Further, the Company is required to adopt ASU No. 2017-05 at the same time that it adopts the guidance in ASU No. 2014-09. The Company is currently evaluating the effect of this standard on its consolidated financial statements.

In May 2017, the FASB issued ASU No. 2017-09, *Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting*. The amendment clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as a modification. The new guidance is expected to reduce diversity in practice and result in fewer changes to the terms of an award being accounted for as a modification. Changes to the terms or conditions of a share-based payment award that do not impact the fair value of the award, vesting conditions and the classification as an equity or liability instrument will not need to be assessed under modification accounting. The guidance is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. The amendments in this update should be applied prospectively to an award modified on or after the adoption date. Accordingly, the adoption will not have an effect on the Company's historical financial statements. The Company is currently evaluating the effect of this standard on future consolidated financial statements.

3. TRANSACTIONS BETWEEN ENTITIES UNDER COMMON CONTROL

Recast of Historical Financial Statements

During the year ended December 31, 2016, the Company acquired renewable energy facilities with a combined nameplate capacity of 19.2 MW from SunEdison, which resulted in a recast of the consolidated balance sheet as of December 31, 2015 and the consolidated statement of cash flows for the year ended December 31, 2015. The facilities acquired from SunEdison during the year ended December 31, 2016 were not in operation in 2015 and there was no impact to the consolidated statement of operations or consolidated statement of comprehensive loss for the years ended December 31, 2015 and 2014 as a result of these acquisitions. There was also no impact to the consolidated statement of cash flows for the year ended December 31, 2014.

The following table presents changes to the Company's previously reported consolidated balance sheet as of December 31, 2015 included in the Company's 2015 Annual Report on Form 10-K:

(In thousands) Balance Sheet Caption	As Reported	Recast Adjustments	As Recasted
Renewable energy facilities, net	$ 5,802,380	$ 31,854	$ 5,834,234
Other assets	119,960	383	120,343
Change in total assets		$ 32,237	
Current portion of long-term debt and financing lease obligations[1]	$ 2,014,331	$ 23,588	$ 2,037,919
Accounts payable, accrued expenses and other current liabilities	150,721	2,325	153,046
Due to SunEdison, net	20,274	6,324	26,598
Change in total liabilities		$ 32,237	

(1) There is a $17.6 million difference between the as reported amount per the table above and the current portion of long-term debt and financing lease obligations amount reported in the Company's 2015 Annual Report on Form 10-K due to the reclassification of the current portion of deferred financing costs, net amount reported in the 2015 Form 10-K to current portion of long-term debt and financing lease obligations within the consolidated balance sheet included in this Form 10-K. This reclassification was made per the Company's adoption of ASU No. 2015-03 as of January 1, 2016, which requires retrospective application for annual and interim reporting periods beginning on or after December 15, 2015. Refer to *Note 2. Summary of Significant Accounting Policies* for further discussion.

The following table presents changes to the Company's previously reported consolidated statement of cash flows for the year ended December 31, 2015 included in the Company's 2015 Annual Report on Form 10-K:

(In thousands) Statement of Cash Flows Caption	As Reported	Recast Adjustments	As Recasted
Cash flows from investing activities:			
Cash paid to third parties for renewable energy facility construction	$ (617,649)	$ (29,912)	$ (647,561)
Change in net cash used in investing activities		(29,912)	
Cash flows from financing activities:			
Borrowings of non-recourse long-term debt	1,425,033	25,674	1,450,707
Principal payments on non-recourse long-term debt	(515,514)	(2,086)	(517,600)
Due to SunEdison, net	(145,247)	6,324	(138,923)
Change in net cash provided by financing activities		29,912	
Net increase in cash and cash equivalents	160,442	—	160,442
Effect of exchange rate changes on cash and cash equivalents	(2,401)	—	(2,401)
Cash and cash equivalents at beginning of period	468,554	—	468,554
Cash and cash equivalents at end of period	$ 626,595	$ —	$ 626,595

Acquisitions of Renewable Energy Facilities from SunEdison

The assets and liabilities transferred to the Company for the acquisitions of renewable energy facilities relate to interests under common control with SunEdison, and accordingly, have been recorded at historical cost. The difference between the cash purchase price and historical cost of the net assets acquired is recorded as a contribution or distribution from SunEdison.

The following tables summarize the renewable energy facilities acquired by the Company from SunEdison through a series of transactions during the years ended December 31, 2016, 2015 and 2014:

			Year Ended December 31, 2016			As of December 31, 2016		
Facility Category	Type	Location	Nameplate Capacity (MW)	Number of Sites	Cash Paid[1]	Cash Due to SunEdison[2]	Debt Assumed	Debt Transferred[3]
Distributed Generation	Solar	U.S.	1.2	3	$ 2,750	$ —	$ —	$ —
Utility	Solar	U.S.	18.0	1	36,231	—	—	—
Total			19.2	4	$ 38,981	$ —	$ —	$ —

(1) Represents the total amount paid to SunEdison. Excludes aggregated tax equity partner payments of $1.6 million to SunEdison.
(2) All amounts have been paid to SunEdison for these renewable energy facilities as of December 31, 2016.
(3) $16.7 million of construction debt existed for one of the renewable energy facilities as of the acquisition date. This debt was fully repaid by SunEdison during the third quarter of 2016 using cash proceeds paid by the Company to SunEdison for the acquisition of the facility.

			Year Ended December 31, 2015			As of December 31, 2015		
Facility Category	Type	Location	Nameplate Capacity (MW)	Number of Sites	Cash Paid[1]	Cash Due to SunEdison[2]	Debt Assumed[3]	Debt Transferred[4]
Distributed Generation	Solar	U.S.	91.5	74	$ 155,573	$ 2,600	$ —	$ —
Residential	Solar	U.S.	12.9	1,806	25,053	—	—	—
Utility	Solar	U.S.	54.8	9	69,868	14,341	—	14,475
Utility	Solar	U.K.	214.3	14	150,595	—	205,587	—
Utility	Wind	U.S.	200.0	1	127,000	—	—	—
Total			573.5	1,904	$ 528,089	$ 16,941	$ 205,587	$ 14,475

(1) Represents the amount paid to SunEdison as of December 31, 2015. Excludes aggregated tax equity partner payments of $363.6 million to SunEdison, of which $0.7 million was refunded to the respective tax equity partner for one of the acquired projects in 2016.
(2) Represents commitments by the Company to SunEdison for the amount required for SunEdison to complete the construction of renewable energy facilities acquired from SunEdison, which was paid to SunEdison during the first quarter of 2016. Excludes tax equity partner payments of $9.2 million due to SunEdison, which were paid during the first quarter of 2016.
(3) Represents debt that was assumed by the Company as of the acquisition date of these facilities which was subsequently refinanced on November 6, 2015 (see *Note 11. Long-term Debt*).
(4) Represents debt recorded on the Company's balance sheet as of December 31, 2015. This debt was repaid by SunEdison during the first quarter of 2016 using cash proceeds paid by the Company and the tax equity partner to SunEdison for the acquisition of these facilities.

			Year Ended December 31, 2014			As of December 31, 2014		
Facility Category	Type	Location	Nameplate Capacity (MW)	Number of Sites	Cash Paid[1]	Cash Due to SunEdison[2]	Debt Assumed[3]	Debt Transferred
Distributed Generation	Solar	U.S.	25.7	21	$ 33,386	$ 11,854	$ —	$ —
Utility	Solar	U.K.	50.0	2	32,181	—	61,982	—
Total			75.7	23	$ 65,567	$ 11,854	$ 61,982	$ —

(1) Represents the amount paid to SunEdison as of December 31, 2014. Excludes aggregated tax equity partner payments of $17.2 million to SunEdison.
(2) Represents commitments by the Company to SunEdison for the amount required for SunEdison to complete the construction of renewable energy facilities acquired from SunEdison. $8.0 million was paid to SunEdison during 2015 and $3.9 million was paid to SunEdison during the first quarter of 2016. Excludes tax equity partner payments of $2.1 million due to SunEdison and subsequently paid.
(3) Represents debt that was assumed by the Company as of the acquisition date of these facilities which was subsequently refinanced on November 6, 2015 (see *Note 11. Long-term Debt*).

The Company records a contribution or distribution from SunEdison upon final funding of the acquisition. The difference between the cash paid and historical cost of the net assets acquired from SunEdison for projects that achieved final funding during the years ended December 31, 2016, 2015 and 2014 was $19.5 million, $41.8 million and $1.5 million, respectively, and has been recorded as a net contribution from SunEdison, which is reflected within Net SunEdison investment on the consolidated statements of stockholders' equity.

The operating revenues of the facilities acquired from SunEdison in 2016, 2015 and 2014 reflected in the consolidated statements of operations for the years ended December 31, 2016, 2015 and 2014, respectively, are $2.3 million, $37.6 million and $1.2 million. The net income (loss) of the facilities acquired from SunEdison in 2016, 2015 and 2014 reflected in the consolidated statements of operations for the years ended December 31, 2016, 2015 and 2014, respectively, are $0.7 million, $(3.9) million and $(3.6) million.

4. ASSETS HELD FOR SALE

The Company commenced a sale of substantially all of its portfolio of solar power plants located in the United Kingdom (the "U.K.") through a broad based sales process pursuant to a plan approved by management during 2016 (24 operating projects for sale representing 365.0 MW, the "U.K. Portfolio"), and it was determined that this portfolio met the criteria to be classified as held for sale during the first quarter of 2016. As a result, the Company classified $592.6 million of assets and $427.2 million of liabilities as held for sale as of December 31, 2016 and measured each at the lower of carrying value or fair value less costs to sell. The Company's analysis indicated that the fair value less costs to sell exceeded the carrying value of the assets and no impairment losses were recognized during the year ended December 31, 2016.

The Company also began exploring a sale of substantially all of its portfolio of residential rooftop solar assets located in the United States through a strategic sales process in 2016, and these assets were determined to meet the criteria to be classified as held for sale during the fourth quarter of 2016. As a result, the Company classified $21.2 million of assets and $5.3 million of liabilities as held for sale as of December 31, 2016 and measured each at the lower of carrying value or fair value less costs to sell. The Company's analysis indicated that the carrying value of the assets exceeded the fair value less costs to sell, and thus an impairment charge of $15.7 million was recognized within impairment of renewable energy facilities in the consolidated statement of operations for the year ended December 31, 2016. The Company also recorded a $3.3 million charge within impairment of renewable energy facilities for the year ended December 31, 2016 due to the decision to abandon certain residential construction in progress assets that were not completed by SunEdison as a result of the SunEdison Bankruptcy.

The following table summarizes the major classes of assets and liabilities which are classified as held for sale on the Company's consolidated balance sheet as of December 31, 2016:

(In thousands)	U.K. Portfolio	Residential Portfolio	Total
Assets held for sale:			
Restricted cash	$ 53,604	$ 1,202	$ 54,806
Accounts receivable, net	4,952	300	5,252
Prepaid expenses and other current assets	1,295	170	1,465
Total current assets held for sale	59,851	1,672	61,523
Renewable energy facilities, net	529,154	19,534	548,688
Intangible assets, net	1,480	—	1,480
Other assets	2,103	—	2,103
Total non-current assets held for sale	532,737	19,534	552,271
Total assets held for sale	$ 592,588	$ 21,206	$ 613,794
Liabilities related to assets held for sale:			
Current portion of long-term debt	$ 14,510	$ 175	$ 14,685
Accounts payable, accrued expenses and other current liabilities	5,980	245	6,225
Deferred revenue	—	10	10
Due to SunEdison, net	692	186	878
Total current liabilities related to assets held for sale	21,182	616	21,798
Long-term debt, less current portion	349,687	4,190	353,877
Deferred revenue, less current portion	—	246	246
Asset retirement obligations	39,563	287	39,850
Other long-term liabilities	16,786	—	16,786
Total non-current liabilities related to assets held for sale	406,036	4,723	410,759
Total liabilities related to assets held for sale	$ 427,218	$ 5,339	$ 432,557

Sale of the U.K. Portfolio

On May 11, 2017, the Company announced that Terra Operating LLC completed its previously announced sale of the U.K. Portfolio to Vortex Solar UK Limited, a renewable energy platform managed by the private equity arm of EFG Hermes, an investment bank. Terra Operating LLC received approximately $211 million of proceeds from the sale, net of transaction expenses and distributions taken from the U.K. Portfolio after announcement and before closing of the sale, which is expected to be used for the reduction of the Company's indebtedness. The sale also resulted in a reduction in the Company's non-recourse project debt by approximately GBP 301 million at the U.K. Portfolio level. The Company has retained 11.1 MW of solar assets in the U.K.

Residential Portfolio Sale

On March 14, 2017, Enfinity SPV Holdings 2, LLC, a subsidiary of the Company, entered into a membership interest purchase and sale agreement with Greenbacker Residential Solar II, LLC for the sale of 100% of the membership interests of Enfinity Colorado DHA 1, LLC, a Colorado limited liability company that owns and operates 2.5 MW of solar installations situated on the roof of public housing units located in Colorado and owned by the Denver Housing Authority. The Company received net proceeds of $1.1 million upon the closing of this transaction on March 31, 2017. In addition, the Company entered into a membership interest purchase and sale agreement with Greenbacker Residential Solar II, LLC on June 12, 2017 for the sale of 100% of the membership interests of TerraForm Resi Solar Manager, LLC, a subsidiary of the Company, which owns and operates 8.9 MW of rooftop solar installations. The transaction closed on June 30, 2017; the Company received net proceeds of $5.4 million upon closing and expects to receive an additional $0.6 million in the third quarter of 2017.

5. ACQUISITIONS

2015 Acquisitions

Acquisition of First Wind

On January 29, 2015, the Company, through Terra LLC, acquired from First Wind Holdings, LLC (together with its subsidiaries, "First Wind") operating renewable energy facilities that have a combined nameplate capacity of 521.1 MW, including 500.0 MW of wind power plants and 21.1 MW of solar generation facilities (the "First Wind Acquisition"). The operating renewable energy facilities the Company acquired are located in Maine, New York, Hawaii, Vermont and Massachusetts and are contracted under PPAs including energy hedge contracts. Certain of the renewable energy facilities also receive revenue from RECs. The cash purchase price for this acquisition was $811.6 million, net of cash acquired.

During the year-ended December 31, 2015, the Company acquired an operating wind facility located in Texas and seven solar generation facilities located in Utah from SunEdison with a combined nameplate capacity of 222.6 MW. These facilities were initially acquired by SunEdison from First Wind on January 29, 2015. The purchase price paid by SunEdison to the third-party for these facilities was $168.4 million, net of cash acquired. The acquisitions were treated as transactions between entities under common control and as a result the acquisition accounting as of January 29, 2015 by SunEdison has been reflected in these consolidated financial statements.

Acquisition of Northern Lights Solar Generation Facilities

On June 30, 2015, the Company acquired two utility-scale, ground mounted solar generation facilities ("Northern Lights") from Invenergy Solar LLC. The facilities are located in Ontario, Canada and have a combined nameplate capacity of 25.4 MW. The facilities are contracted under long-term PPAs with an investment grade utility with a credit rating of Aa2 as of the acquisition date. The purchase price for this acquisition was 125.4 million Canadian Dollars ("CAD") (equivalent of $101.1 million on the acquisition date), net of cash acquired, including the repayment of project-level debt and breakage fees for the termination of interest rate swaps.

Acquisition of Invenergy Wind Power Plants

On December 15, 2015, the Company acquired operating wind power plants with a combined nameplate capacity of 831.5 MW (net) from Invenergy Wind Global LLC (together with its subsidiaries, "Invenergy Wind") for $1.3 billion in cash and the assumption of $531.2 million of non-recourse indebtedness. The wind power plants that the Company acquired from Invenergy Wind have contracted PPAs with an average counterparty credit rating of AA as of the acquisition date. Invenergy Wind will retain a 9.9% non-controlling interest in wind power plants located in the U.S. that the Company acquired and will provide certain operation and maintenance services for such assets.

Acquisition of Integrys Solar Generation Facilities

During the year ended December 31, 2015, the Company acquired 56 solar generation facilities with a combined nameplate capacity of 32.0 MW (net) from Integrys Group, Inc. ("Integrys") for a purchase price of $70.7 million, net of cash acquired, and $15.9 million of project-level debt assumed. The facilities are located in Arizona, California, Connecticut, Massachusetts, New Jersey and Pennsylvania. The facilities are contracted under long-term PPAs with commercial and municipal customers.

Acquisition of Other Solar Generation Facilities

During the year-ended December 31, 2015, the Company acquired two solar generation facilities from SunEdison with a combined nameplate capacity of 38.8 MW. These facilities were initially acquired by SunEdison through other unaffiliated third parties during the year-ended December 31, 2015. The purchase price paid by SunEdison to the third parties for these acquisitions was $18.9 million, net of cash acquired. The acquisitions were treated as transactions between entities under common control and as a result the acquisition accounting by SunEdison has been reflected in these consolidated financial statements.

During the year ended December 31, 2015, the Company acquired 10 solar generation facilities with a combined nameplate capacity of 3.8 MW for a purchase price of $19.9 million, net of cash acquired. The facilities are located in Ontario, Canada.

Acquisition Accounting for the 2015 Acquisitions

The acquisition accounting for the First Wind, Northern Lights, Integrys and other solar generation facilities acquisitions was completed as of the fourth quarter of 2015, at which point the provisional fair values became final. The final amounts for these acquisitions are included in the table within the "Acquisition Accounting" section of this footnote below.

The acquisition accounting for the Invenergy Wind acquisition was initially completed as of the second quarter of 2016, at which point the provisional fair values became final. However, during the fourth quarter of 2016, management identified immaterial errors in the final opening balance sheet. The errors resulted in an increase of $45.9 million to renewable energy facilities, a decrease of $37.0 million to intangible assets, an increase of $3.0 million to accounts payable, accrued expenses and other current liabilities, an increase of $5.0 million to other long-term liabilities, a decrease of $7.1 million to redeemable non-controlling interest and an increase of $8.0 million to non-controlling interest. The final amounts for this acquisition are included in the table directly below.

The opening balance sheet errors, including the income statement impact, were corrected in the fourth quarter of 2016. The income statement impact resulted in an increase to depreciation expense and a net decrease to amortization expense. If the errors had been corrected in the second quarter of 2016, it would have resulted in a $0.4 million decrease in the net loss for the three and six months ended June 30, 2016 reported in the Form 10-Q for the second quarter of 2016 and a $0.4 million and $0.8 million decrease, respectively, in the net loss for the three and nine months ended September 30, 2016 reported in the Form 10-Q for the third quarter of 2016. Management performed an assessment of the balance sheet and income statement impact on its previously issued second and third quarter filings and determined it to be immaterial.

	Invenergy Wind		
	2015 Final		
(In thousands)	**As of June 30, 2016**	**Q4 2016 Corrections**	**As of December 31, 2016**
Renewable energy facilities	$ 1,477,888	$ 45,903	$ 1,523,791
Accounts receivable	25,811	—	25,811
Intangible assets	748,300	(37,000)	711,300
Restricted cash	31,247	—	31,247
Derivative assets	32,311	—	32,311
Other assets	20,148	—	20,148
Total assets acquired	2,335,705	8,903	2,344,608
Accounts payable, accrued expenses and other current liabilities	23,195	3,041	26,236
Long-term debt, including current portion	531,221	—	531,221
Deferred income taxes	242	—	242
Asset retirement obligations	47,346	—	47,346
Other long-term liabilities	6,004	5,000	11,004
Total liabilities assumed	608,008	8,041	616,049
Redeemable non-controlling interest	140,635	(7,138)	133,497
Non-controlling interest	308,000	8,000	316,000
Purchase price, net of cash acquired	$ 1,279,062	$ —	$ 1,279,062

The final acquisition-date fair values of assets, liabilities and non-controlling interest pertaining to the Invenergy Wind acquisition as of December 31, 2016 reflect the following changes from the initial opening balance sheet as of December 31, 2015; an increase of $37.0 million to renewable energy facilities, a decrease of $37.0 million to intangible assets, an increase of $8.1 million to other assets, an increase of $3.0 million to accounts payable, accrued expenses and other current liabilities, an increase of $5.0 million to other long-term liabilities, a decrease of $7.9 million in redeemable non-controlling interest and an increase of $8.0 million to non-controlling interest. The provisional amounts as of December 31, 2015 are included within the "Acquisition Accounting" section of this footnote below.

The operating revenues and net loss of the facilities acquired in 2015 reflected in the consolidated statements of operations for the year ended December 31, 2015 were $161.1 million and $8.8 million, respectively.

2014 Acquisitions

During the year ended December 31, 2014, the Company acquired various facilities referred to as Mt. Signal, Stonehenge Operating Projects, Capital Dynamics and Hudson Energy, as well as various other renewable energy facilities. The acquisition accounting for these 2014 acquisitions was finalized during 2015. The final acquisition-date fair value amounts for these acquisitions as of December 31, 2015, as well as the provisional amounts as of December 31, 2014, are included in the tables within the "Acquisition Accounting" section of this footnote below.

The operating revenues and net income of the facilities acquired in 2014 reflected in the consolidated statements of operations for the year ended December 31, 2014 were $60.8 million and $12.5 million, respectively.

Goodwill

Goodwill is recorded as the difference between the aggregate consideration paid for an acquisition and the fair value of the net tangible and identified intangible assets acquired. During 2015, the Company recorded $55.9 million of goodwill attributable to the acquisition of Capital Dynamics, which provided the Company with a distributed generation platform. The goodwill existed within the Company's Distributed Generation reporting unit within the solar reportable segment and is not deductible for federal income tax purposes. The Company performed its annual impairment test of the carrying value of its goodwill as of December 1, 2016, and concluded that the goodwill balance of $55.9 million was fully impaired (see *Note 8. Goodwill* for further discussion).

Valuation of Non-controlling Interest

First Wind

The majority of the fair value of the non-controlling interest was determined using a market approach using a quoted price for the instrument. Upon the acquisition of the First Wind assets, the Company purchased a portion of the equity interest from the non-controlling interest holders of one of the joint venture investment funds. The quoted price for the purchase of a portion of the non-controlling interest is the best indicator of fair value and was supported by a discounted cash flow technique. The Company estimated the fair value of the remainder of the non-controlling interest balances using a discounted cash flow approach.

Invenergy Wind

The fair value of the non-controlling interest for Invenergy Wind was determined using a discounted cash flow approach. The non-controlling interest represents the fair value of 9.9% sponsor equity held by Invenergy Wind. Sun Edison LLC, a wholly owned subsidiary of SunEdison, acting as intermediary, entered into certain option arrangements with Invenergy Wind for its remaining 9.9% interest in the Acquired Companies (the “Invenergy Wind Interest”). Simultaneously, Terra LLC entered into a back to back option agreement with Sun Edison LLC on substantially identical terms (collectively the "Option Agreements"). The Option Agreements effectively permit (i) Terra LLC to exercise a call option to purchase the Invenergy Wind Interest over a 180-day period beginning on September 30, 2019, and (ii) Invenergy Wind to exercise a put option with respect to the Invenergy Wind Interest over a 180-day period beginning on September 30, 2018. The exercise prices of the put and call options described above would be based on the determination of the fair market value of the Invenergy Wind Interest at the time the relevant option is exercised, subject to certain minimum and maximum thresholds set forth in the Option Agreements. The minimum put option price per the Option Agreements is $137.8 million in aggregate. As the put options represent redemption rights outside the control of the Company, this non-controlling interest was classified as redeemable non-controlling interest as of December 31, 2016 and 2015. The Company accretes this redeemable non-controlling interest, using the straight-line method, from the acquisition date fair value to the redemption value over the period through September 30, 2018. Accretion adjustments to the carrying value of this redeemable non-controlling interest are recorded against additional paid-in capital.

As part of the Settlement Agreement (which was approved by the Bankruptcy Court), with certain limited exceptions, all agreements, including the Option Agreement between Terra LLC and Sun Edison LLC, will be rejected as of the effectiveness of the settlement, which will occur upon the consummation of the Merger, subject to satisfaction of conditions precedent, or an alternative transaction that is jointly supported by the Company and SunEdison or a Stand-Alone Conversion. If the Option Agreement is rejected under the Settlement Agreement, the Company would not expect to be obligated to perform on its Option Agreement.

Acquisition Accounting

The acquisition-date fair values of assets, liabilities and non-controlling interests pertaining to business combinations as of December 31, 2015, were as follows:

	2015 Preliminary	**2015 Final**					**2014 Final**		
(In thousands)	**Invenergy Wind**	**First Wind**	**Other First Wind[1]**	**Northern Lights**	**Integrys**	**Other**	**Mt. Signal**	**Capital Dynamics**	**Other**
Renewable energy facilities in service	$ 1,486,746	$ 795,462	$ —	$ 62,018	$ 69,935	$ 7,931	$649,570	$ 190,352	$256,912
Construction in progress	—	—	264,858	—	—	28,878	—	—	—
Accounts receivable	25,811	30,031	—	1,361	2,610	—	11,687	8,331	9,906
Intangible assets	748,300	123,600	—	39,000	28,966	12,454	119,767	74,236	120,624
Goodwill	—	—	—	—	—	—	—	55,874	—
Deferred income taxes	—	—	—	—	—	—	—	—	—
Restricted cash	31,247	7,240	60	—	827	—	22,165	15	14,720
Derivative assets	32,311	44,755	—	—	—	—	—	—	—
Other assets	12,070	5,873	—	11	234	200	12,621	348	9,552
Total assets acquired	2,336,485	1,006,961	264,918	102,390	102,572	49,463	815,810	329,156	411,714
Accounts payable, accrued expenses and other current liabilities	23,195	9,854	442	440	409	1,854	22,725	1,478	3,016
Long-term debt, including current portion	531,221	47,400	72,881	—	15,882	—	413,464	—	136,156
Deferred income taxes	242	—	—	—	—	—	—	25,129	927
Asset retirement obligations	47,346	19,890	—	818	5,730	509	4,656	13,073	17,374
Other long-term liabilities	6,004	18,562	23,237	—	5,786	—	—	12,100	5,242
Total liabilities assumed	608,008	95,706	96,560	1,258	27,807	2,363	440,845	51,780	162,715
Redeemable non-controlling interest	141,415	3,076	—	—	—	8,298	—	20,194	2,250
Non-controlling interest	308,000	96,624	—	—	4,045	—	83,310	—	2,000
Purchase price, net of cash acquired	$ 1,279,062	$ 811,555	$168,358	$ 101,132	$ 70,720	$38,802	$291,655	$ 257,182	$244,749

(1) Represents renewable energy facilities with a combined nameplate capacity of 222.6 MW acquired from SunEdison during the year ended December 31, 2015. These facilities were acquired by SunEdison from First Wind on January 29, 2015.

As noted above, the acquisition accounting for the business combinations that occurred during 2014 was not finalized until 2015. The estimated acquisition-date fair values of assets, liabilities and non-controlling interests pertaining to these business combinations as of December 31, 2014, were as follows:

(In thousands)	**Capital Dynamics**	**Mt. Signal**	**Other Acquisitions**
Renewable energy facilities in service	$ 200,712	$ 649,005	$ 245,828
Accounts receivable	4,511	11,617	11,251
Intangible assets	83,114	117,925	140,248
Deferred income taxes	22,129	—	—
Restricted cash	15	22,165	14,688
Other assets	687	12,621	4,987
Total assets acquired	311,168	813,333	417,002
Accounts payable, accrued expenses and other current liabilities	5,925	24,813	7,410
Long-term debt, including current portion	—	413,464	137,472
Deferred income taxes	25,191	—	892
Asset retirement obligations	6,749	4,656	18,058
Total liabilities assumed	37,865	442,933	163,832
Redeemable non-controlling interest	16,600	—	7,738
Non-controlling interest	—	78,745	2,175
Purchase price, net of cash acquired	$ 256,703	$ 291,655	$ 243,257

The acquired renewable energy facilities' non-financial assets and other long-term liabilities primarily represent estimates of the fair value of acquired PPA and REC contracts based on significant inputs that are not observable in the market and thus represent a Level 3 measurement (as defined in *Note 14. Fair Value of Financial Instruments*). The estimated fair values were determined based on an income approach. Refer below for additional disclosures related to the acquired intangibles.

2015 Acquisitions - Intangibles at Acquisition Date

The following table summarizes the final fair value and weighted average amortization period of acquired intangible assets and liabilities as of the acquisition date for transactions closed during 2015. The acquisition accounting was finalized during 2015 for all 2015 acquisitions, with the exception of Invenergy Wind, which was finalized in 2016. The final intangibles fair value reflects the following changes from the initial opening balance sheet for Invenergy; a decrease of $2.7 million to favorable rate revenue contracts, a decrease of $34.3 million to the in-place value of market rate revenue contracts and an increase of $5.0 million to unfavorable rate O&M contracts.

	Fair Value				
(In thousands)	**Invenergy Wind**	**First Wind**	**Northern Lights**	**Integrys**	**Other**
Intangible assets					
Favorable rate revenue contracts	$ 547,300	$ 3,900	$ 39,000	$ 21,168	$ 12,454
In-place value of market rate revenue contracts	164,000	103,900	—	7,798	—
Favorable rate land leases	—	15,800	—	—	—
Intangible liabilities					
Unfavorable rate revenue contracts	—	17,200	—	5,786	—
Unfavorable rate O&M contracts	5,000	—	—	—	—
Unfavorable rate land lease	—	1,000	—	—	—

	Weighted Average Amortization Period[1]				
(In years)	**Invenergy Wind**	**First Wind**	**Northern Lights**	**Integrys**	**Other**
Intangible assets					
Favorable rate revenue contracts	17	3	18	12	20
In-place value of market rate revenue contracts	22	18	—	22	—
Favorable rate land leases	—	20	—	—	—
Intangible liabilities					
Unfavorable rate revenue contracts	—	6	—	19	—
Unfavorable rate O&M contracts	4	—	—	—	—
Unfavorable rate land lease	—	18	—	—	—

(1) For purposes of this disclosure, the weighted average amortization period is determined based on a weighting of the individual intangible fair values against the total fair value for each major intangible asset and liability class.

2014 Acquisitions - Intangibles at Acquisition Date

The following table summarizes the fair value and weighted average amortization period of acquired intangible assets and liabilities as of the acquisition date for transactions closed during 2014. The fair values in the table below reflect the final acquisition accounting balances. The preliminary acquisition accounting as of December 31, 2014 reflected all intangible values as favorable rate revenue contracts with the exception of Mt. Signal, which was valued as an in-place market rate revenue contract.

(In thousands)	Fair Value Mt. Signal	Capital Dynamics	Other
Intangible assets			
Favorable rate revenue contracts	$ —	$ 26,000	$ 70,179
In-place value of market rate revenue contracts	119,767	48,236	50,445
Intangible liabilities			
Unfavorable rate revenue contracts	—	12,100	—

(In years)	Weighted Average Amortization Period[1] Mt. Signal	Capital Dynamics	Other
Intangible assets			
Favorable rate revenue contracts	—	18	19
In-place value of market rate revenue contracts	25	23	15
Intangible liabilities			
Unfavorable rate revenue contracts	—	7	—

(1) For purposes of this disclosure, the weighted average amortization period is determined based on a weighting of the individual intangible fair values against the total fair value for each major intangible asset and liability class.

Unaudited Pro Forma Supplementary Data

The unaudited pro forma supplementary data presented in the table below gives effect to the significant 2015 acquisitions, Invenergy Wind, First Wind and Northern Lights, as if those transactions had each occurred on January 1, 2014. Additionally, the table below gives effect to the significant 2014 acquisitions, Capital Dynamics and Mt. Signal, as if these transactions had occurred on January 1, 2013. The unaudited pro forma supplementary data is provided for informational purposes only and should not be construed to be indicative of the Company's results of operations had the acquisitions been consummated on the date assumed or of the Company's results of operations for any future date.

(In thousands, unaudited)	Year Ended December 31, 2015	2014
Total operating revenues, net	$ 605,441	$ 427,098
Net loss	(128,588)	(102,010)

Acquisition costs incurred by the Company related to third party acquisitions were $2.7 million, $55.8 million and $15.2 million for the years ended December 31, 2016, 2015 and 2014, respectively. These costs are reflected as acquisition and related costs and acquisition and related costs - affiliate in the consolidated statements of operations and are excluded from the respective unaudited pro forma net loss amounts disclosed above.

6. RENEWABLE ENERGY FACILITIES

Renewable energy facilities, net consists of the following:

(In thousands)	December 31, 2016	December 31, 2015
Renewable energy facilities in service, at cost	$ 5,354,883	$ 5,906,154
Less accumulated depreciation - renewable energy facilities	(364,756)	(187,874)
Renewable energy facilities in service, net	4,990,127	5,718,280
Construction in progress - renewable energy facilities	3,124	115,954
Total renewable energy facilities, net	$ 4,993,251	$ 5,834,234

Depreciation expense related to renewable energy facilities was $209.2 million, $135.7 million and $37.3 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Construction in progress represents costs incurred to complete the construction of the facilities in the Company's current portfolio that were acquired from SunEdison. When renewable energy facilities are sold to the Company after completion by SunEdison, the Company retroactively recasts its historical financial statements to present the construction activity as if it consolidated the facility at inception of the construction (see *Note 3. Transactions Between Entities Under Common Control)*. All construction in progress costs are stated at SunEdison's historical cost. These costs include capitalized interest costs and amortization of deferred financing costs incurred during the asset's construction period, which totaled $1.6 million, $22.7 million and $37.3 million for the years ended December 31, 2016, 2015 and 2014, respectively.

As of December 31, 2016, the Company reclassified $548.7 million from renewable energy facilities, net to non-current assets held for sale in the consolidated balance sheet (see *Note 4. Assets Held for Sale*). There was no amount classified as assets held for sale as of December 31, 2015.

7. ASSET RETIREMENT OBLIGATIONS

Activity in asset retirement obligations for the years ended December 31, 2016, 2015 and 2014 was as follows:

	Year Ended December 31,		
(In thousands)	2016	2015	2014
Balance as of the beginning of the year	$ 215,146	$ 78,175	$ 13,005
Additional obligations from renewable energy facilities achieving commercial operation	2,132	52,181	34,414
Revisions in estimates for current obligations[1]	(7,920)	—	—
Adjustment related to change in accretion period[2]	(22,204)	—	—
Assumed through acquisition	136	74,293	29,450
Acquisition accounting adjustments related to prior year acquisitions	—	5,640	—
Accretion expense	8,992	7,209	2,109
Reclassification to non-current liabilities related to assets held for sale	(39,850)	—	—
Currency translation adjustment	(7,857)	(2,352)	(803)
Balance as of the end of the year	$ 148,575	$ 215,146	$ 78,175

(1) As discussed in *Note 2. Summary of Significant Accounting Policies*, effective December 31, 2016, the Company revised its original estimates of the costs and related amount of cash flows for certain of its asset retirement obligations.

(2) As discussed in *Note 2. Summary of Significant Accounting Policies*, the Company revised the accretion period for its asset retirement obligations from the term of the related PPA agreement to the remaining useful life of the corresponding renewable energy facility, consistent with the period over which depreciation expense is recorded on the corresponding asset retirement cost recognized within renewable energy facilities and with its estimate of the future timing of settlement.

The Company did not have any assets that were legally restricted for the purpose of settling the Company's asset retirement obligations as of December 31, 2016, 2015 and 2014.

8. GOODWILL

The changes in the carrying amount of goodwill for the years ended December 31, 2016 and 2015 are presented in the table below:

	Distributed Generation reporting unit	
	Year Ended December 31,	
(In thousands)	2016	2015
Balance as of the beginning of the year	$ 55,874	$ —
Goodwill acquired	—	55,874
Impairment	(55,874)	—
Balance as of the end of the year	$ —	$ 55,874

The Company performed its annual impairment test of the carrying value of its goodwill as of December 1, 2016 and concluded that the goodwill balance of $55.9 million was fully impaired. The impairment was driven by a combination of factors, including lack of near-term growth in the operating segment. The impairment test determined there was no implied value of goodwill, which resulted in an impairment charge of $55.9 million as reflected in goodwill impairment within the consolidated statement of operations for the year ended December 31, 2016.

The Company used an income approach methodology of valuation, which used the discounted cash flow method based on forecasted cash flows of the distributed generation reporting unit. The market approach was considered but not used due to the lack of direct similarities with comparable companies in the market.

9. INTANGIBLES

The following table presents the gross carrying amount, accumulated amortization and net book value of intangibles as of December 31, 2016:

(In thousands, except weighted average amortization period)	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Favorable rate revenue contracts	16 years	$ 714,758	$ (57,634)	$ 657,124
In-place value of market rate revenue contracts	20 years	518,003	(47,284)	470,719
Favorable rate land leases	18 years	15,800	(1,531)	14,269
Total intangible assets, net		$ 1,248,561	$ (106,449)	$ 1,142,112
Unfavorable rate revenue contracts	7 years	$ 35,086	$ (10,541)	$ 24,545
Unfavorable rate O&M contracts	3 years	5,000	(1,302)	3,698
Unfavorable rate land lease	16 years	1,000	(107)	893
Total intangible liabilities, net		$ 41,086	$ (11,950)	$ 29,136

The following table presents the gross carrying amount, accumulated amortization and net book value of intangibles as of December 31, 2015:

(In thousands, except weighted average amortization period)	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Favorable rate revenue contracts	17 years	$ 714,137	$ (12,024)	$ 702,113
In-place value of market rate revenue contracts	20 years	551,226	(22,229)	528,997
Favorable rate land leases	19 years	15,800	(746)	15,054
Total intangible assets, net		$ 1,281,163	$ (34,999)	$ 1,246,164
Unfavorable rate revenue contracts	8 years	$ 35,086	$ (4,951)	$ 30,135
Unfavorable rate land lease	17 years	1,000	(51)	949
Total intangible liabilities, net		$ 36,086	$ (5,002)	$ 31,084

The Company has intangible assets related to revenue contracts, representing long-term PPAs and REC agreements, and favorable rate land leases that were obtained through acquisitions (see *Note 5. Acquisitions*). The revenue contract intangible assets are comprised of favorable rate PPAs and REC agreements and the in-place value of market rate PPAs. The Company also has intangible liabilities related to unfavorable rate PPAs and REC agreements, unfavorable rate O&M contracts and an unfavorable rate land lease, which are classified within other long-term liabilities in the consolidated balance sheet. These intangible assets and liabilities are amortized on a straight-line basis over the remaining lives of the agreements, which range from 1 to 28 years as of December 31, 2016.

Amortization expense related to favorable rate revenue contracts is reflected in the consolidated statements of operations as a reduction of operating revenues, net. Amortization related to unfavorable rate revenue contracts is reflected in the consolidated statements of operations as an increase to operating revenues, net. During the years ended December 31, 2016, 2015 and 2014, net amortization expense related to favorable and unfavorable rate revenue contracts resulted in a reduction of operating revenues, net of $40.2 million, $5.3 million and $4.2 million, respectively.

Amortization expense related to the in-place value of market rate revenue contracts is reflected in the consolidated statements of operations within depreciation, accretion and amortization expense. During the years ended December 31, 2016, 2015 and 2014, amortization expense related to the in-place value of market rate revenue contracts was $25.2 million, $18.4 million and $2.0 million, respectively.

Amortization expense related to favorable rate land leases is reflected in the consolidated statements of operations within cost of operations. Amortization related to the unfavorable rate land lease and unfavorable rate O&M contracts is reflected in the consolidated statements of operations as a reduction of cost of operations. During the years ended December 31, 2016 and 2015, net amortization related to favorable and unfavorable rate land leases and unfavorable rate O&M contracts resulted in a $0.6 million reduction of cost of operations and $0.7 million increase to cost of operations, respectively. There was no amortization expense related to favorable and unfavorable rate land leases and unfavorable rate O&M contracts during the year ended December 31, 2014.

Over the next five fiscal years, the Company expects to recognize annual amortization on its intangibles as follows:

(In thousands)	**2017**	**2018**	**2019**	**2020**	**2021**
Favorable rate revenue contracts	$ 44,880	$ 43,932	$ 43,846	$ 43,846	$ 42,147
Unfavorable rate revenue contracts	(5,490)	(4,956)	(4,845)	(2,620)	(1,379)
Total net amortization expense recorded to operating revenues, net	$ 39,390	$ 38,976	$ 39,001	$ 41,226	$ 40,768
In-place value of market rate revenue contracts	$ 25,366	$ 25,366	$ 25,366	$ 25,366	$ 25,366
Total amortization expense recorded to depreciation, accretion and amortization expense	$ 25,366	$ 25,366	$ 25,366	$ 25,366	$ 25,366
Favorable rate land leases	$ 799	$ 799	$ 799	$ 799	$ 799
Unfavorable rate O&M contracts	(1,250)	(1,250)	(1,198)	—	—
Unfavorable rate land lease	(56)	(56)	(56)	(56)	(56)
Total net amortization recorded to cost of operations	$ (507)	$ (507)	$ (455)	$ 743	$ 743

10. VARIABLE INTEREST ENTITIES

The Company consolidates VIEs in renewable energy facilities when the Company is the primary beneficiary. The VIEs own and operate renewable energy facilities in order to generate contracted cash flows. The VIEs were funded through a combination of equity contributions from the owners and non-recourse, project-level debt. No VIEs were deconsolidated during the years ended December 31, 2016 and 2015.

The carrying amounts and classification of the consolidated VIEs' assets and liabilities included in the Company's consolidated balance sheets are as follows:

(In thousands)	**December 31, 2016**	**December 31, 2015**
Current assets	$ 191,244	$ 180,287
Non-current assets	4,351,635	4,584,886
Total assets	$ 4,542,879	$ 4,765,173
Current liabilities	$ 638,452	$ 1,043,892
Non-current liabilities	514,464	202,629
Total liabilities	$ 1,152,916	$ 1,246,521

The amounts shown in the table above exclude intercompany balances that are eliminated upon consolidation. All of the assets in the table above are restricted for settlement of the VIE obligations, and all of the liabilities in the table above can only be settled by using VIE resources.

11. LONG-TERM DEBT

Long-term debt consists of the following:

(In thousands, except rates) Description:	December 31, 2016	December 31, 2015	Interest Type	Interest Rate (%)[1]	Financing Type
Corporate-level long-term debt[2]:					
Senior Notes due 2023	$ 950,000	$ 950,000	Fixed	6.38	Senior notes
Senior Notes due 2025	300,000	300,000	Fixed	6.63	Senior notes
Revolver	552,000	655,000	Variable	3.92	Revolving loan
Non-recourse long-term debt[3]:					
Permanent financing	2,078,009	2,546,864	Blended[4]	5.96[5]	Term debt / Senior notes
Construction financing	—	38,063	Variable	N/A	Construction debt
Financing lease obligations	123,930	136,594	Imputed	5.63[5]	Financing lease obligations
Total principal due for long-term debt and financing lease obligations	4,003,939	4,626,521		5.82[5]	
Unamortized discount, net	(13,620)	(20,821)			
Deferred financing costs, net[6]	(39,405)	(43,051)			
Less current portion of long-term debt and financing lease obligations[7]	(2,212,968)	(2,037,919)			
Long-term debt and financing lease obligations, less current portion[8]	$ 1,737,946	$ 2,524,730			

(1) As of December 31, 2016.
(2) Corporate-level debt represents debt issued by Terra Operating LLC and guaranteed by Terra LLC and certain subsidiaries of Terra Operating LLC other than non-recourse subsidiaries as defined in the relevant debt agreements.
(3) Non-recourse debt represents debt issued by subsidiaries with no recourse to Terra LLC, Terra Operating LLC or guarantors of the Company's corporate-level debt, other than limited or capped contingent support obligations, which in aggregate are not considered to be material to the Company's business and financial condition.
(4) Includes variable rate debt and fixed rate debt. As of December 31, 2016, 52% of this balance had a variable interest rate and the remaining 48% of this balance had a fixed interest rate. The Company has entered into interest rate swap agreements to fix the interest rates of certain variable rate permanent financing non-recourse debt (see *Note 13. Derivatives*).
(5) Represents the weighted average interest rate as of December 31, 2016.
(6) Total net long-term debt and financing lease obligations, including current portion, reflects the reclassification of deferred financing costs to reduce long-term debt as further described in *Note 2. Summary of Significant Accounting Policies*.
(7) As of December 31, 2016, the Company reclassified $14.7 million from current portion of long-term debt and financing lease obligations to current liabilities related to assets held for sale in the consolidated balance sheet (see *Note 4. Assets Held for Sale*), which represents non-recourse debt for the U.K. Portfolio and portfolio of residential rooftop solar assets held for sale as of December 31, 2016.
(8) As of December 31, 2016, the Company reclassified $353.9 million from long-term debt and financing lease obligations, less current portion to non-current liabilities related to assets held for sale in the consolidated balance sheet (see *Note 4. Assets Held for Sale*), which represents non-recourse debt for the U.K. Portfolio and portfolio of residential rooftop solar assets held for sale as of December 31, 2016.

Corporate-level Long-term Debt

Bridge Credit Facility

On March 28, 2014, the Company entered into a credit and guaranty agreement with Goldman Sachs Bank USA as administrative agent and the lenders party thereto, which originally provided for a senior secured term loan facility in an aggregate principal amount of $250.0 million (the "Bridge Credit Facility"). The Bridge Credit Facility was amended on May 15, 2014 to increase the aggregate principal amount of the facility to $400.0 million (the "Amended Bridge Credit Facility"). The Amended Bridge Credit Facility was repaid following the closing of the IPO on July 23, 2014.

Term Loan

In connection with the closing of the IPO on July 23, 2014, Terra Operating LLC entered into a term loan facility (the "Term Loan"). The Term Loan initially provided for up to a $300.0 million senior secured term loan, which was used to repay a portion of the outstanding borrowings under the Amended Bridge Credit Facility. On December 18, 2014, the Company obtained additional financing by increasing the Term Loan by $275.0 million to a total of $575.0 million.

On January 28, 2015*,* the Company repaid the remaining outstanding principal balance on the Term Loan of $573.5 million. The Company recognized a $12.0 million loss on extinguishment of debt during the year ended December 31, 2015 as a result of this repayment.

Revolving Credit Facilities

In connection with the closing of the IPO on July 23, 2014, Terra Operating LLC entered into a senior secured revolving credit facility that initially provided for up to $140.0 million, which was increased by $75.0 million to a total of $215.0 million on December 18, 2014. As of December 31, 2014, no amounts had been drawn on the facility.

On January 28, 2015, Terra Operating LLC replaced its existing revolver with a new $550.0 million revolving credit facility (the "Revolver"). The Revolver consisted of a revolving credit facility of at least $550.0 million available for revolving loans and letters of credit. The Company recognized a $1.3 million loss on extinguishment of debt during the year ended December 31, 2015 as a result of the revolver exchange.

On May 1, 2015 and August 11, 2015, Terra Operating LLC exercised its option to increase its borrowing capacity under the Revolver by $100.0 million and $75.0 million, respectively. As a result of these transactions, the Company had a total borrowing capacity of $725.0 million under the Revolver as of December 31, 2015. There were $655.0 million of revolving loans outstanding under the Revolver as of December 31, 2015.

The Revolver matures on January 28, 2020. Each of Terra Operating LLC's existing and subsequently acquired or organized domestic restricted subsidiaries (excluding most non-recourse subsidiaries) and Terra LLC are or will become guarantors under the Revolver.

On December 9, 2015, Terra Operating LLC entered into a third amendment to its credit and guaranty agreement which amended the Leverage Ratio (as defined therein) from 5:00:1:00 (subject to certain increases if certain acquisitions are consummated), to as follows:

- 6:00:1:00 for any fiscal quarter occurring after September 30, 2015, but ending on or before December 31, 2016;
- 5.75:1:00 for any fiscal quarter occurring after December 31, 2016, but ending on or before December 31, 2017; and
- 5:00:1:00 for any fiscal quarter ending after December 31, 2017 (subject to certain increases if certain acquisitions are consummated).

At Terra Operating LLC’s option, all outstanding amounts under the Revolver initially bore interest at a rate per annum equal to either (i) a base rate plus a margin of 1.50%, or (ii) a reserve adjusted Eurodollar rate plus a margin of 2.50%. Beginning July 1, 2015 (and prior to the sixth and eighth amendment discussed below), the base rate margin ranges between 1.25% and 1.75% and the Eurodollar rate margin ranges between 2.25% and 2.75%, as determined by reference to a leverage-based grid.

The Revolver provides for voluntary prepayments, in whole or in part, subject to notice periods, and requires Terra Operating LLC to prepay outstanding borrowings in an amount equal to 100% of the net cash proceeds received by Terra LLC or its restricted subsidiaries from the incurrence of indebtedness not permitted by the Revolver by Terra Operating LLC or its restricted subsidiaries.

The Revolver, each guaranty and any interest rate, currency hedging or hedging of REC obligations of Terra Operating LLC or any guarantor owed to the administrative agent, any arranger or any lender under the Revolver is secured by first priority security interests in (i) all of Terra Operating LLC's and each guarantor’s assets, (ii) 100% of the capital stock of Terra Operating LLC and each of its domestic restricted subsidiaries and 65% of the capital stock of each of Terra Operating LLC’s foreign restricted subsidiaries, and (iii) all intercompany debt. Although the Revolver collateral generally excludes the capital stock and assets of non-recourse subsidiaries, in connection with the seventh amendment to the Revolver (as discussed below), the Company agreed to cause certain project-level subsidiaries to guarantee the obligations under the Revolver and to provide certain collateral to the lenders and other secured parties under the Revolver, in each case, to the extent such subsidiaries are permitted to do so under any applicable project-level financing or debt agreements or other project-level agreements. These guarantees and the collateral will be automatically released to the extent such subsidiaries incur any project-level financings that would not permit such guarantees or collateral and that are otherwise permitted under the Revolver.

The terms of the Revolver require the Company to provide audited annual financial statements within 90 days after the end of the fiscal year, with a 10-business day cure period. From March 30, 2016 to May 27, 2016, Terra Operating LLC entered into a series of amendments (fourth, fifth, sixth and seventh) to the terms of the Revolver, which provided that the date on which the Company must deliver to the Administrative Agent and other parties to the Revolver its annual financial statements and accompanying audit report with respect to fiscal year 2015 would be extended up to the earlier of (a) the tenth business day prior to the date on which the failure to deliver such financial statements would constitute an event of default under Terra Operating LLC's Indenture, dated January 28, 2015, with respect to its senior notes due 2023 (the "2023 Indenture") and (b) March 30, 2017. As described below, Terra Operating LLC obtained a waiver extending the deadline to comply with the reporting covenants in the 2023 Indenture to December 6, 2016.

The sixth amendment provided that the interest rate on loans made under the Revolver and commitment fees paid on undrawn Revolver commitments would be calculated using the highest applicable margin and commitment fee percentage under the Revolver until the first business day of the first quarter following the delivery of 2015 financial statements and the accompanying audit report. In addition to granting the additional collateral described above, the seventh amendment also amended the conditions under which Terra LLC and Terra Operating LLC are permitted to make distributions in respect of their equity, including by adding a requirement that Terra LLC and Terra Operating LLC satisfy a minimum Total Liquidity (as defined therein) at the time of making any such distribution. Although TerraForm Power is not a party to, or guarantor of Terra Operating LLC's obligations under, the Revolver, these conditions will also effectively apply to the payment of dividends by TerraForm Power on its Class A common stock.

Consistent with its obligations under the seventh amendment, Terra Operating LLC entered into an eighth amendment to the terms of the Revolver on September 9, 2016, which increased the interest rate under the Revolver at all applicable margin levels by 50% of the increase in the interest rate on the Senior Notes due 2023 agreed to as part of the consent solicitation process described below. This amendment resulted in an increase in the interest rate payable under the Revolver prior to the eighth amendment by 1.75% for the period from September 6, 2016 to December 6, 2016 and, thereafter, an increase from the interest rate payable prior to the eighth amendment by 0.25%.

On September 27, 2016, Terra Operating LLC entered into a consent agreement and ninth amendment to the terms of the Revolver. The ninth amendment modified the definition of Total Liquidity in the Revolver to include voluntary or mandatory permanent reductions in Revolving Commitments in the calculation of Total Liquidity. The consent agreement also provided consent for the cross-collateralization of certain utility scale assets located in Canada owned by subsidiaries of the Company as further described in the "*Canada project-level financing*" section below. In addition, in conjunction with this consent, the agreement provided that Terra Operating LLC would prepay $70.0 million of revolving loans outstanding under the Revolver and permanently reduce the revolving commitments and borrowing capacity by such amount. This amount was repaid by Terra Operating LLC on November 10, 2016. Further, in conjunction with this consent and as a result of the Company's election in February of 2017 to increase the principal amount of the credit facility described in the "*Canada project-level financing*" section below, Terra Operating LLC repaid an additional $5.0 million of Revolver indebtedness on March 6, 2017 and permanently reduced the revolving commitments and borrowing capacity by such amount.

On November 25, 2016, Terra Operating LLC entered into a waiver agreement with the requisite lenders under the Revolver. The waiver agreement waived Terra Operating LLC’s obligation to comply with the debt service coverage ratio and leverage ratio financial covenants of the Revolver with respect to the third quarter of 2016 and the requirement to certify compliance with those covenants. In connection with this waiver, Terra Operating LLC made a prepayment of the revolving loans outstanding under the Revolver in an aggregate amount equal to $30.0 million and permanently reduced the revolving commitments and borrowing capacity under the Revolver by that amount. This amount was classified as current within the consolidated balance sheet as of December 31, 2015. The waiver also extended to January 1, 2017, the deadline for delivery of certain financial information with respect to the third quarter of 2016. Failure to deliver certain summary financial information with respect to the third quarter of 2016 by December 21, 2016 would also have resulted in an event of default under the Revolver. The Company provided the required financial information deliverables by the respective deadlines.

As a result of the Revolver amendments and prepayments described above, the Company had a total borrowing capacity of $625.0 million under the Revolver as of December 31, 2016 and $552.0 million of revolving loans were outstanding. The Company recognized a $1.1 million loss on extinguishment of debt during the year ended December 31, 2016 as a result of the reduction in borrowing capacity for the Revolver and corresponding write-off of a portion of the unamortized deferred financing costs due to the amendments and prepayments described above.

On April 5, 2017, Terra Operating LLC entered into a tenth amendment to the terms of the Revolver, which provided that the date on which the Company must deliver to the Administrative Agent and other parties to the Revolver its annual financial statements and accompanying audit report with respect to fiscal year 2016 and its financial plan for fiscal year 2017 would be extended to April 28, 2017.

On April 26, 2017, the Company entered into an eleventh amendment to the terms of the Revolver, which further extended the due date for delivery of its 2016 annual financial statements and accompanying audit report to the earlier of (a) July 15, 2017 and (b) the tenth business day prior to the date on which the failure to deliver such financial statements would constitute an event of default under the 2023 Indenture. As discussed below, an event of default would not have occurred under the 2023 Indenture until July 31, 2017. This Form 10-K for the year ended December 31, 2016 was filed within the 10-business day cure period that commenced on July 15, 2017, and consequently no event of default occurred under the Revolver with respect to this filing. The amendment also extended the due date for delivery to the Administrative Agent and other parties to the Revolver for the Company's financial statements and accompanying information with respect to the fiscal quarter ended March 31, 2017 to July 31, 2017 and with respect to the fiscal quarters ending June 30, 2017 and September 30, 2017 to the date that is 75 days after the end of each such fiscal quarter, with a 10-business day cure period for each quarterly deliverable.

The eleventh amendment amends the Debt Service Coverage Ratio applicable to the fourth quarter of 2016, and first, second and third quarters of 2017 from 1.75:1.00 to 1.50:1.00. The amendment also amends the Leverage Ratio applicable to the fourth quarter of 2016 from 6.00:1.00 to 6.50:1.00 and applicable to the first, second and third quarters of 2017 from 5.75:1.00 to 6.50:1.00. In addition, the amendment amends the definitions of Debt Service Coverage Ratio and Leverage Ratio to provide for, in each case, certain pro forma treatment of the repayment or refinancing of Non-Recourse Project Indebtedness (as defined therein) net of any new Non-Recourse Project Indebtedness incurred in connection with any such refinancing. Per the terms of the eleventh amendment, Terra Operating LLC agreed to prepay $50.0 million of revolving loans outstanding under the Revolver and permanently reduce the revolving commitments and borrowing capacity by such amount. This amount was repaid on May 3, 2017.

Senior Notes due 2023 and Senior Notes due 2025

On January 28, 2015, Terra Operating LLC issued $800.0 million of 5.875% senior notes due 2023 at an offering price of 99.214% of the principal amount. Terra Operating LLC used the net proceeds from the offering to fund a portion of the purchase price payable in the First Wind Acquisition.

On June 11, 2015, Terra Operating LLC issued an additional $150.0 million of 5.875% senior notes due 2023 (collectively, with the $800.0 million initially issued, the "Senior Notes due 2023"). The offering price of the additional $150.0 million of notes was 101.5% of the principal amount, and Terra Operating LLC used the net proceeds from the offering to repay existing borrowings under the Revolver. The Senior Notes due 2023 are senior obligations of Terra Operating LLC and are guaranteed by Terra LLC and each of Terra Operating LLC's existing and future subsidiaries that guarantee its senior secured credit facility, subject to certain exceptions.

On July 17, 2015, Terra Operating LLC issued $300.0 million of 6.125% senior notes due 2025 at an offering price of 100% of the principal amount (the "Senior Notes due 2025"). Terra Operating LLC used the net proceeds from the offering to fund a portion of the purchase price of the acquisition of the wind power plants from Invenergy Wind. The Senior Notes due 2025 are senior obligations of Terra Operating LLC and are guaranteed by Terra LLC and each of Terra Operating LLC's existing and future subsidiaries that guarantee its senior secured credit facility, subject to certain exceptions.

The Senior Notes due 2023 and the Senior Notes due 2025 require the Company to timely file with the SEC, or make publicly available, audited annual financial statements and unaudited quarterly financial statements no later than 60 days following the date required by the SEC's rules and regulations (including extensions thereof). The Company has a 90-day grace period from the date a notice of default is deemed to be duly given to Terra Operating LLC in accordance with the Senior Notes due 2023 and the Senior Notes due 2025. On May 31, 2016, Terra Operating LLC received a notice from the trustee of an event of default for failure to deliver 2015 audited annual financial statements.

On August 30, 2016, the Company announced the successful completion of a consent solicitation from holders of record on August 16, 2016 of its Senior Notes due 2023 and its Senior Notes due 2025 to obtain waivers relating to certain reporting covenants and to effectuate certain amendments under the 2023 Indenture and the indenture dated as of July 17, 2015 (as supplemented) with respect to the Senior Notes due 2025 (the "2025 Indenture"). Terra Operating LLC received validly delivered and unrevoked consents from the holders of a majority of the aggregate principal amount of each series of the notes outstanding as of the record date and paid a consent fee to each consenting holder of $5.00 for each $1,000 principal amount of such series of the notes for which such holder delivered its consent. Under the terms of the waivers obtained, the deadline to comply with the reporting covenants in the indentures relating to the filing of the Company's Form 10-K for 2015 and Form 10-Q for the first quarter of 2016 was extended to December 6, 2016. The Company filed the Form 10-K for 2015 and Form 10-Q for the first quarter of 2016 by the December 6, 2016 deadline. Although the Company's Form 10-Q for the second quarter of 2016 was not filed by December 6, 2016, it was filed with the SEC within the grace period for delivery, and consequently no event of default occurred with respect to the second quarter filing.

Following receipt of the requisite consents required to approve the amendments to the respective indentures, Terra Operating LLC entered into a fourth supplemental indenture to the 2023 Indenture and a third supplemental indenture to the 2025 Indenture on August 29, 2016. Effective as of September 6, 2016, the fourth and third supplemental indentures respectively permanently increased the interest rate payable on the Senior Notes due 2023 from 5.875% per annum to 6.375% per annum and the interest rate payable on the Senior Notes due 2025 from 6.125% per annum to 6.625% per annum. In addition, beginning on September 6, 2016 through and including December 6, 2016, special interest accrued on the Senior Notes due 2023 and the Senior Notes due 2025 at a rate equal to 3.0% per annum, which was payable in the same manner as regular interest payments on the first interest payment date following December 6, 2016. The fourth and third supplemental indentures also require the Company, upon the consummation of any transaction resulting in any person becoming the beneficial owner of 33.3% or more but less than or equal to 50% of the voting stock of the Company, to make an offer to each holder of the Senior Notes due 2023 and the Senior Notes due 2025, respectively, to repurchase all or any part of that holder's notes at a purchase price in cash equal to 101% of the aggregate principal amount of such notes repurchased. In lieu of making such an offer under either the 2023 Indenture or the 2025 Indenture, the applicable supplemental indenture also provides that Terra Operating LLC may elect to deliver a notice to the trustee under the 2023 Indenture or the 2025 Indenture, as applicable, to permanently increase the interest rates payable on the Senior Notes due 2023 from 6.375% per annum to 7.375% per annum or the interest rate on the Senior Notes due 2025 from 6.625% per annum to 7.625% per annum, respectively.

On January 17, 2017, Terra Operating LLC received a notice of default from the trustee under the 2023 Indenture and the 2025 Indenture for failure to comply with its obligation to timely furnish the Form 10-Q for the third quarter of 2016. However, the Form 10-Q for the third quarter of 2016 was filed with the SEC within the grace period for delivery, and consequently no event of default occurred with respect to the third quarter filing.

On May 2, 2017, Terra Operating LLC received a notice from the trustee of an event of default for failure to deliver 2016 audited annual financial statements and thus had until July 31, 2017 to deliver its 2016 audited financial statements before an event of default would occur under the 2023 Indenture and the 2025 Indenture. However, this Form 10-K for the year ended December 31, 2016 was filed with the SEC within the grace period for delivery, and consequently no event of default occurred with respect to this filing.

On July 11, 2017, Terra Operating LLC received a notice from the trustee of an event of default for failure to comply with its obligation to timely furnish the Company's Form 10-Q for the first quarter of 2017. However, an event of default will not occur under the 2023 Indenture and the 2025 Indenture with respect to the Form 10-Q for the first quarter of 2017 unless such Form 10-Q is not filed within the 90-day grace period that commenced on July 11, 2017.

Invenergy Bridge Facility

On July 1, 2015, the Company obtained commitments for a senior unsecured bridge facility to provide the Company with up to $1.16 billion to fund the acquisition of the wind power plants from Invenergy Wind. On July 17, 2015, the Company terminated $300.0 million of the bridge facility commitment upon the issuance of the Company's Senior Notes due 2025. This bridge facility commitment was amended and restated on December 4, 2015 to replace the previously committed bridge facility with a commitment to fund a $500.0 million non-recourse portfolio term loan. Amortization of deferred financing costs recorded as interest expense related to this bridge facility commitment was $9.4 million during the year ended December 31, 2015.

Non-recourse Long-term Debt

Indirect subsidiaries of the Company have incurred long-term debt obligations with respect to the renewable energy facilities that those subsidiaries own directly or indirectly. This indebtedness of these subsidiaries is typically secured by the renewable energy facility's assets (mainly the renewable energy facility) or equity interests in such renewable energy facilities with no recourse to Terra LLC or Terra Operating LLC other than limited or capped contingent support obligations, which in aggregate are not considered to be material to the Company's business and financial condition. In connection with these financings and in the ordinary course of its business, the Company and its subsidiaries observe formalities and operating procedures to maintain each of their separate existence and can readily identify each of their separate assets and liabilities as separate and distinct from each other. As a result, these subsidiaries are legal entities that are separate and distinct from TerraForm Power, Terra LLC, Terra Operating LLC and the guarantors under the Revolver, the Senior Notes due 2023 and Senior Notes due 2025.

United Kingdom Debt Refinancing

On November 6, 2015, the Company entered into definitive agreements to refinance 178.6 million British Pounds ("GBP") (equivalent of $270.8 million on the closing date) of existing non-recourse indebtedness by entering into a new GBP 313.5 million (equivalent of $475.2 million on the closing date) facility. The new facility had a maturity date in 2022 and was comprised of Tranche A for GBP 87.0 million (equivalent of $131.9 million) which was fully amortizing over the seven-year term, and Tranche B for GBP 226.5 million (equivalent of $343.3 million), which was payable at maturity. This new facility bore interest at a rate per annum equal to LIBOR plus an applicable margin of 2.10% for Tranche A and 2.35% for Tranche B. The facility was secured by all of the Company's solar generation facilities located in the U.K. except for the Norrington facility and was non-recourse to Terra LLC and Terra Operating LLC. The Company recognized a loss on extinguishment of debt of $7.5 million during the year ended December 31, 2015 as a result of this refinancing. As discussed in *Note 4. Assets Held for Sale*, Terra Operating LLC closed on its sale of the U.K. Portfolio on May 11, 2017 to Vortex Solar UK Limited, which resulted in the reduction of this indebtedness.

Non-recourse Portfolio Term Loan

On December 4, 2015, a wholly owned subsidiary of the Company entered into a $500.0 million non-recourse portfolio term loan commitment (the "Midco Portfolio Term Loan"). The term loan was funded on December 15, 2015 and a majority of the proceeds were used to acquire wind power plants from Invenergy Wind. The term loan is secured by pledges of indirect equity interests in approximately 1,104.3 MW of the Company's renewable energy facilities, consisting of assets acquired from Invenergy Wind and certain other renewable energy facilities acquired from SunEdison, and matures on January 15, 2019, to the extent the Company exercises its extension options. The Company exercised the first two extension options in January and July of 2017, respectively. Interest under the term loan accrues at a rate equal to an adjusted Eurodollar rate plus 5.5%, subject to a 1.0% LIBOR floor (or base rate plus 4.5%). Borrowings under the loan agreement are prepayable at the Company’s option at par.

In June of 2017, the Company agreed to make a $100.0 million prepayment for this loan in connection with obtaining (i) a waiver to extend the 2016 audited project financial statement deadline under the loan agreement and (ii) a waiver of the change of control default that would arise under this loan agreement as a result of the Merger until, in the case of the change of control waiver, the date that is the earlier of three months following the closing of the Merger and March 31, 2018. This prepayment was made using a portion of the proceeds the Company received from the sale of the U.K. Portfolio as discussed in *Note 4. Assets Held for Sale*. The Company is filing this loan agreement as an Exhibit to this Form 10-K as a result of an agreement with a lender to this loan agreement.

Canada project-level financing

On November 2, 2016, certain of the Company's subsidiaries entered into a new non-recourse loan financing in an aggregate principal amount of CAD $120.0 million (including a CAD $6.9 million letter of credit) secured by approximately 40

MW(ac) of utility scale solar power plants located in Canada that are owned by the Company's subsidiaries. This new non-recourse loan has a seven-year maturity and amortizes on a 17-year sculpted amortization schedule. The loan agreement also permits the Company's subsidiaries to increase the principal amount of the credit facility by up to an additional CAD $123.0 million subject to obtaining additional lender commitments and satisfaction of certain conditions, including the absence of defaults or events of default, pro forma compliance with debt service coverage ratios and other customary conditions. This new loan facility is non-recourse to Terra LLC and Terra Operating LLC. The proceeds of this financing were used to pay down the Revolver by $70.0 million as described above. Any additional proceeds are are also expected to be used for general corporate purposes.

On February 28, 2017, the Company increased the principal amount of the credit facility by an additional CAD $113.9 million (including an additional CAD $6.7 million letter of credit), increasing the total facility to CAD $233.9 million. The proceeds of this additional financing are expected to be used for general corporate purposes and were used to pay down an additional $5.0 million on the Revolver as described above.

Non-recourse Debt Defaults

A SunEdison Debtor is a party to or guarantor of a material project agreement, such as asset management or O&M contracts, for most of the Company's non-recourse financing arrangements. As a result of the SunEdison Bankruptcy and delays in delivery of 2015 audited financial statements for certain project-level subsidiaries, among other things, the Company experienced defaults under most of its non-recourse financing agreements in 2016. During the course of 2016 and to date in 2017, the Company obtained waivers or temporary forbearances with respect to most of these defaults and has transitioned, or is working to transition, the project-level services provided by SunEdison Debtors to third parties or in-house to a Company affiliate; however, certain of these defaults persist. Moreover, the Company has experienced, or expects to experience, additional defaults under most of the same non-recourse financing agreements in 2017 as the result of the failure to timely complete Company or project-level audits. The Company is working to complete these audits and seeking to cure or obtain waivers of such default. For certain of these defaults, the corresponding contractual grace periods already expired as of the respective financial statement issuance date or the Company could not assert that it was probable that the violation would be cured within any remaining grace periods, would be cured for a period of more than twelve months or were not likely to recur. In addition, while the Company has been actively negotiating with the lenders to obtain waivers, the lenders have not currently waived or subsequently lost the right to demand repayment for more than one year from the balance sheet date with respect to certain of these defaults. As the defaults occurred prior to the issuance of the financial statements for the years ended December 31, 2016 and 2015, $1.6 billion and $1.9 billion, respectively, of the Company's non-recourse long-term indebtedness, net of unamortized debt discounts and deferred financing costs, was reclassified to current in the consolidated balance sheet as the Company accounts for debt in default as of the date the financial statements are issued in the same manner as if the default existed as of the balance sheet date. Amortization of deferred financing costs and debt discounts continue to be amortized over the maturities of the respective financing agreements as before the violations, as the Company believes there is a reasonable likelihood that it will be able to successfully negotiate a waiver with the lenders and/or cure the defaults. Refer to *Note 13. Derivatives* for discussion of corresponding interest rate swap reclassifications to current as a result of these defaults.

As discussed above under *Non-recourse Portfolio Term Loan*, the Company agreed to make a $100.0 million prepayment in June of 2017 in connection with obtaining a waiver for the Midco Portfolio Term Loan.

Financing Lease Obligations

In certain transactions, the Company accounts for the proceeds of sale-leasebacks as financings, which are typically secured by the renewable energy facility asset and its future cash flows from energy sales, with no recourse to Terra LLC or Terra Operating LLC under the terms of the arrangement.

As a result of the First Wind Acquisition, the Company acquired $47.4 million of financing lease obligations. The financing lease obligations assumed by the Company include those pursuant to a sale-leaseback agreement, entered into by First Wind on November 21, 2012, whereby First Wind sold substantially all of the property, plant and equipment of the related wind power plant to a financial institution and simultaneously entered into a long-term lease with that financial institution for the use of the assets. Under the terms of the agreement, the Company will continue to operate the wind facility and has the option to extend the lease or repurchase the assets sold at the end of the lease term.

On May 22, 2015, SunEdison acquired the lessor interest in an operating solar generation facility referred to as the Duke Energy operating facility and concurrently sold the facility to the Company. Upon acquisition of this operating facility, the Company recognized a net gain on the extinguishment of debt of $11.4 million during the year ended December 31, 2015 due to the termination of $31.5 million of financing lease obligations of the operating facility.

First Wind Debt Extinguishment

The Company repaid certain long-term indebtedness for the renewable energy facilities acquired as part of the First Wind Acquisition. The Company recognized a loss on the extinguishment of debt of $6.4 million during the year ended December 31, 2015 as a result of this repayment.

Minimum Lease Payments

The aggregate amounts of minimum lease payments on the Company's financing lease obligations are $123.9 million. Contractual obligations for 2017 through 2021 and thereafter, are as follows:

(In thousands)	2017	2018	2019	2020	2021	Thereafter	Total
Minimum lease obligations[1]	$ 9,449	$ 9,090	$ 18,496	$ 8,821	$ 9,002	$ 69,072	$ 123,930

(1) Represents the minimum lease payment due dates for the Company's financing lease obligations and does not reflect the reclassification of $49.7 million of financing lease obligations to current as a result of debt defaults under certain of the Company's non-recourse financing arrangements.

Maturities

The aggregate contractual payments of long-term debt due after December 31, 2016, excluding financing lease obligations and amortization of debt discounts, premiums and deferred financing costs, as stated in the financing agreements, are as follows:

(In thousands)	2017[1]	2018	2019	2020	2021	Thereafter	Total
Maturities of long-term debt as of December 31, 2016[2]	$ 735,996	$ 100,640	$ 431,082	$ 87,575	$ 90,881	$ 2,433,835	$ 3,880,009

(1) Includes $552.0 million of Revolver indebtedness as management currently intends to repay this indebtedness during 2017. Also includes $100.0 million prepayment for the Midco Portfolio Term Loan, which the Company agreed to pay in June of 2017 in connection with obtaining (i) a waiver to extend the 2016 audited project financial statement deadline under the loan agreement and (ii) a waiver of the change of control default that would arise under the loan agreement as a result of the Merger until, in the case of the change of control waiver, the date that is the earlier of three months following the closing of the Merger and March 31, 2018. This prepayment was made using a portion of the proceeds the Company received from the sale of the U.K. Portfolio as discussed in *Note 4. Assets Held for Sale*.

(2) Represents the contractual principal payment due dates for the Company's long-term debt and does not reflect the reclassification of $1.5 billion of long-term debt to current as a result of debt defaults under certain of the Company's non-recourse financing arrangements, except for the $100.0 million prepayment discussed directly above.

Merger Agreement

As discussed in *Note 1. Nature of Operations and Basis of Presentation*, on March 6, 2017, TerraForm Power entered into the Merger Agreement with certain affiliates of Brookfield. The closing of the Merger is subject to certain conditions as previously described. There is no financing condition to the consummation of the transactions contemplated by the Merger Agreement. Pursuant to the Merger Agreement, the Company has agreed to provide cooperation as reasonably requested by an affiliate of Brookfield in its efforts to obtain debt financing that is to be made available to the Company from and after the closing of the Merger. Certain lenders have committed, upon the terms and subject to the conditions set forth in debt commitment letters provided to the Brookfield affiliate, to provide certain financing to repay, refinance, redeem, defease or otherwise repurchase certain Company indebtedness.

In addition, the Merger Agreement provides that, at or prior to the effective time of the Merger, TerraForm Power will enter into a revolving credit line agreement, substantially consistent with the term sheet as agreed between a Brookfield affiliate and TerraForm Power as of the date of the Merger Agreement (the "Sponsor Line Agreement"), by and among TerraForm Power and Brookfield or its affiliates pursuant to which Brookfield or its affiliates will commit up to a $500 million secured revolving credit line to TerraForm Power for use to acquire renewable energy assets or for profit improving capital expenditures.

The completion of the Merger would trigger a change in control under the terms of the Revolver. Such change in control constitutes an event of default under the Revolver and would entitle the Revolver lenders to accelerate the principal amount outstanding under the Revolver. The Company intends to pay down and terminate the Revolver concurrently with consummating the Merger through a refinancing transaction. However, there can be no assurance that the Company will be able to enter into a replacement credit facility or otherwise secure financing on equal or more favorable terms. Such inability could have a materially adverse effect on the Company's liquidity and growth strategy.

The completion of the Merger would also trigger a change in control under the 2023 Indenture and the 2025 Indenture. The 2023 Indenture and the 2025 Indenture require the Company to make an offer to repurchase the Senior Notes issued under the respective indentures at 101% of the applicable principal amount, plus accrued and unpaid interest and additional interest, if any, to the repurchase date following a change in control. Brookfield and certain of its affiliates have secured a backstop financing facility that is available to be drawn by the Company subject to certain conditions in the event the Company makes this offer and noteholders elect to accept the offer. If a significant number of noteholders tender into the offer to repurchase at 101% of par, the Company would need to draw upon this backstop financing facility which would have a shorter maturity and more restrictive covenants than the Senior Notes due 2023 and Senior Notes due 2025, which could have a material adverse effect on the Company's financial position, performance and operations.

A limited number of the Company's non-recourse financing arrangements also include change in control provisions that would permit the counterparty to terminate the contract or accelerate maturity following the completion of the Merger. The Company is working to obtain consents or waivers from those counterparties to the applicable change of control provisions, however, there is no assurance those consents will be obtained.

12. INCOME TAXES

The income tax provision consisted of the following:

(In thousands)	Current	Deferred	Total
Year ended December 31, 2016			
U.S. federal	$ 66	$ (103)	$ (37)
State and local	53	(1,109)	(1,056)
Foreign	—	1,587	1,587
Total expense	$ 119	$ 375	$ 494
Tax expense in equity	—	406	406
Total	$ 119	$ 781	$ 900
Year ended December 31, 2015			
U.S. federal	$ 98	$ (12,507)	$ (12,409)
State and local	—	(1,182)	(1,182)
Foreign	158	192	350
Total expense (benefit)	$ 256	$ (13,497)	$ (13,241)
Tax expense in equity	—	14,627	14,627
Total	$ 256	$ 1,130	$ 1,386
Year ended December 31, 2014			
U.S. federal	$ 84	$ (3,554)	$ (3,470)
State and local	—	(213)	(213)
Foreign	—	(1,006)	(1,006)
Total expense (benefit)	$ 84	$ (4,773)	$ (4,689)
Tax benefit in equity	—	(3,616)	(3,616)
Total	$ 84	$ (8,389)	$ (8,305)

Effective Tax Rate

The income tax provision differed from the amounts computed by applying the statutory U.S. federal income tax rate of 35% to loss before income taxes, as follows:

	Year Ended December 31,		
	2016	2015	2014
Income tax benefit at U.S. federal statutory rate	35.0 %	35.0 %	35.0 %
Increase (reduction) in income taxes:			
State income taxes, net of U.S. federal benefit	(5.9)%	1.0 %	1.0 %
Foreign operations	(1.5)%	9.9 %	1.4 %
Non-controlling interest	(15.9)%	(20.6)%	(15.8)%
Goodwill impairment	(6.2)%	— %	— %
Stock-based compensation	— %	(2.2)%	(2.2)%
Change in valuation allowance	(4.7)%	(17.7)%	(8.8)%
Other	(1.0)%	0.6 %	(5.2)%
Effective tax benefit rate	(0.2)%	6.0 %	5.4 %

As of December 31, 2016, TerraForm Power owns 65.7% of Terra LLC and consolidates the results of Terra LLC through its controlling interest. The Company records SunEdison's 34.3% ownership of Terra LLC as a non-controlling interest in the financial statements. Terra LLC is treated as a partnership for income tax purposes. As such, the Company records income tax on its 65.7% of Terra LLC's taxable income and SunEdison records income tax on its 34.3% share of Terra LLC's taxable income.

For the year ended December 31, 2016, the overall effective tax rate was different than the statutory rate of 35% primarily due to loss allocated to the recording of a valuation allowance on certain tax benefits attributed to the Company, loss allocated to non-controlling interests, the impairment of goodwill at Capital Dynamics and the effect of state taxes. For the year ended December 31, 2015, the overall effective tax rate was different than the statutory rate of 35% primarily due to the recording of a valuation allowance on certain tax benefits attributed to the Company, loss allocated to non-controlling interests and due to the application of the intraperiod allocation rules, resulting in a significant tax provision recorded in other comprehensive income. For the year ended December 31, 2014, the tax benefits for losses realized prior to the IPO were recognized primarily because of existing deferred tax liabilities. As of December 31, 2016 and 2015, most jurisdictions were in a net deferred tax asset position. A valuation allowance is recorded against the deferred tax assets primarily because of the history of losses in those jurisdictions.

The tax effects of the major items recorded as deferred tax assets and liabilities were as follows:

	As of December 31,	
(In thousands)	**2016**	**2015**
Deferred tax assets:		
Net operating losses and tax credit carryforwards	$ 463,940	$ 217,834
Investment in partnership	—	123,253
Deferred revenue	743	743
Renewable energy facilities	—	11,667
Other	5,445	—
Total deferred tax assets	470,128	353,497
Valuation allowance	(419,875)	(333,858)
Net deferred tax assets	50,253	19,639
Deferred tax liabilities:		
Investment in partnership	73,629	45,269
Renewable energy facilities	4,347	—
Other	—	1,000
Total deferred tax liabilities	77,976	46,269
Net deferred tax liabilities	$ 27,723	$ 26,630

The underlying renewable energy facilities are controlled under Terra LLC, and thus deferred tax assets and liabilities at the Company's portfolio companies are captured within the deferred tax asset for investment in partnership. The Company has gross net operating loss carryforwards of $990.6 million in the U.S. that will expire beginning in 2031 and gross net operating loss carryforwards of $214.1 million in foreign jurisdictions that will expire beginning in 2032. The Company believes that it is more likely than not that it will not generate sufficient taxable income to realize the deferred tax assets associated with its net operating losses and tax credit carryforwards and has recorded a valuation allowance against its deferred tax assets, with the exception of $69.2 million of net operating losses at its Canadian operations. The Company is currently performing an analysis of limitations on the use of net operating losses under Section 382. The results of this analysis could impact the Company's ability to use net operating losses in future periods or could reduce the net operating losses available.

As of December 31, 2016 and 2015, the Company had not identified any uncertain tax positions for which a liability was required.

13. DERIVATIVES

As part of the Company’s risk management strategy, the Company has entered into derivative instruments which include interest rate swaps, foreign currency contracts and commodity contracts to mitigate interest rate, foreign currency and commodity price exposure. If the Company elects to do so and if the instrument meets the criteria specified in ASC 815, *Derivatives and Hedging*, the Company designates its derivative instruments as cash flow hedges. The Company enters into interest rate swap agreements in order to hedge the variability of expected future cash interest payments. Foreign currency contracts are used to reduce risks arising from the change in fair value of certain foreign currency denominated assets and liabilities. The objective of these practices is to minimize the impact of foreign currency fluctuations on operating results. The Company also enters into commodity contracts to economically hedge price variability inherent in electricity sales arrangements. The objectives of the commodity contracts are to minimize the impact of variability in spot electricity prices and stabilize estimated revenue streams. The Company does not use derivative instruments for speculative purposes.

As of December 31, 2016 and 2015, fair values of the following derivative instruments were included in the balance sheet captions indicated below:

	Fair Value of Derivative Instruments							
	Hedging Contracts		Derivatives Not Designated as Hedges					
(In thousands)	Interest Rate Swaps	Commodity Contracts	Interest Rate Swaps	Foreign Currency Contracts	Commodity Contracts	Gross Amounts of Assets/ Liabilities Recognized	Gross Amounts Offset in Consolidated Balance Sheet	Net Amounts in Consolidated Balance Sheet
As of December 31, 2016								
Prepaid expenses and other current assets	$ 1,150	$ 3,664	$ —	$ 953	$ 12,028	$ 17,795	$ —	$ 17,795
Other assets	411	62,474	—	460	25,167	88,512	—	88,512
Total assets	$ 1,561	$ 66,138	$ —	$ 1,413	$ 37,195	$ 106,307	$ —	$ 106,307
Accounts payable, accrued expenses and other current liabilities	$ 10,689	$ —	$ 814	$ —	$ —	$ 11,503	$ —	$ 11,503
Liabilities related to assets held for sale	—	—	4,041	—	—	4,041	—	4,041
Other long-term liabilities	47	—	—	—	—	47	—	47
Non-current liabilities related to assets held for sale	—	—	16,786	—	—	16,786	—	16,786
Total liabilities	$ 10,736	$ —	$ 21,641	$ —	$ —	$ 32,377	$ —	$ 32,377
As of December 31, 2015								
Prepaid expenses and other current assets	$ —	$ 11,455	$ —	$ 3,875	$ 12,542	$ 27,872	$ (1,451)	$ 26,421
Other assets	487	51,699	—	2,836	30,799	85,821	(70)	85,751
Total assets	$ 487	$ 63,154	$ —	$ 6,711	$ 43,341	$ 113,693	$ (1,521)	$ 112,172
Accounts payable, accrued expenses and other current liabilities	$ 19,081	$ —	$ 1,104	$ 3,777	$ —	$ 23,962	$ (1,451)	$ 22,511
Other long-term liabilities	—	—	—	70	—	70	(70)	—
Total liabilities	$ 19,081	$ —	$ 1,104	$ 3,847	$ —	$ 24,032	$ (1,521)	$ 22,511

As of December 31, 2016 and 2015, notional amounts for derivative instruments consisted of the following:

(In thousands)	Notional Amount as of December 31, 2016	Notional Amount as of December 31, 2015
Derivatives designated as hedges:		
Interest rate swaps (USD)	433,874	468,067
Interest rate swaps (CAD)	84,713	—
Interest rate swaps (GBP)	—	222,018
Commodity contracts (MWhs)	16,988	18,401
Derivatives not designated as hedges:		
Interest rate swaps (USD)	14,681	15,794
Interest rate swaps (GBP)	222,018	—
Foreign currency contracts (GBP)	—	112,168
Foreign currency contracts (CAD)	25,075	40,566
Commodity contracts (MWhs)	1,407	1,828

The Company has elected to present net derivative assets and liabilities on the balance sheet as a right to setoff exists. For interest rate swaps, the Company either nets derivative assets and liabilities on a trade-by-trade basis or nets them in accordance with a master netting arrangement if such an arrangement exists with the counterparties. Foreign currency contracts are netted by currency in accordance with a master netting arrangement. The Company has a master netting arrangement for its commodity contracts for which no amounts were netted as of December 31, 2016 as each of the commodity contracts were in a gain position.

Gains and losses on derivatives not designated as hedges for the years ended December 31, 2016, 2015 and 2014 consisted of the following:

(In thousands)	Location of Loss (Gain) in the Statements of Operations	Year Ended December 31, 2016	2015	2014
Interest rate swaps	Interest expense, net	$ 26,280	$ 345	$ 1,279
Foreign currency contracts	Loss on foreign currency exchange, net	(1,325)	(3,600)	(1,126)
Commodity contracts	Operating revenues, net	(10,890)	(10,178)	—

During the second quarter of 2016, the Company discontinued hedge accounting for interest rate swaps that were previously designated as cash flow hedges of the forecasted interest payments pertaining to variable rate project debt in the U.K. Portfolio. The forecasted transactions were deemed probable of not occurring beyond June of 2017 as a result of an evaluation of the offers received related to the planned sale of the U.K. Portfolio during the second quarter. The sale would either cause a repayment of the debt or the assumption of the debt by the buyer. This resulted in the reclassification of $16.9 million of losses from accumulated other comprehensive income into interest expense, net in the consolidated statement of operations during the year ended December 31, 2016. The Company also prospectively discontinued hedge accounting for these interest rate swaps that were designated as cash flow hedges of the forecasted interest payments through June of 2017 as the forecasted transactions were deemed no longer probable of occurring. Subsequent to the discontinuation of hedge accounting, the Company recognized additional net unrealized losses of $7.3 million pertaining to these interest rate swaps during the year ended December 31, 2016 that are also reported in interest expense, net in the consolidated statement of operations.

Gains and losses recognized related to interest rate swaps and commodity contracts designated as cash flow hedges for the years ended December 31, 2016, 2015 and 2014 consisted of the following:

	Year Ended December 31,									
	Gain (Loss) Recognized in Other Comprehensive Income (Effective Portion) net of taxes[1]			Location of Loss Reclassified from Accumulated Other Comprehensive Income into Income (Effective Portion)	Amount of Loss (Gain) Reclassified from Accumulated Other Comprehensive Income into Income (Effective Portion)			Amount of Loss (Gain) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness Testing)		
(In thousands)	2016	2015	2014		2016	2015	2014	2016	2015	2014
Interest rate swaps	$(20,360)	$ (11,482)	$ (1,925)	Interest expense, net	$ 11,618	$ 4,663	$ —	$ —	$ —	$ —
Commodity contracts	20,274	38,395	—	Operating revenues, net	(12,572)	—	—	5,121	—	—
Total	$ (86)	$ 26,913	$ (1,925)		$ (954)	$ 4,663	$ —	$ 5,121	$ —	$ —

(1) Net of taxes of $0.4 million and $14.6 million attributed to commodity contracts during the years ended December 31, 2016 and 2015, respectively. There were no taxes attributed to interest rate swaps during the years ended December 31, 2016, 2015 and 2014.

As of both December 31, 2016 and 2015, the Company has posted letters of credit in the amount of $18.0 million, as collateral related to certain commodity contracts. Certain derivative contracts contain provisions providing the counterparties a lien on specific assets as collateral. There was no cash collateral received or pledged as of December 31, 2016 and 2015 related to the Company's derivative transactions.

Derivatives Designated as Hedges

Interest Rate Swaps

The Company has interest rate swap agreements to hedge variable rate non-recourse debt. These interest rate swaps qualify for hedge accounting and were designated as cash flow hedges. Under the interest rate swap agreements, the renewable energy facilities pay a fixed rate and the counterparties to the agreements pay a variable interest rate. The amounts deferred in other comprehensive income and reclassified into earnings during the years ended December 31, 2016, 2015 and 2014 related to the interest rate swaps are provided in the tables above. The loss expected to be reclassified into earnings over the next twelve months is approximately $5.7 million. The maximum term of outstanding interest rate swaps designated as hedges is 18 years.

As discussed in *Note 11. Long-term Debt*, the Company experienced defaults under certain of its non-recourse financing agreements prior to the issuance of the financial statements for the years December 31, 2016 and 2015. As the Company's interest rate swap agreements contain cross-default provisions, $4.8 million and $7.6 million, respectively, of related liabilities have been reclassified to current as of December 31, 2016 and 2015. The Company is actively working with the counterparties to cure these defaults and obtain waivers as necessary. The Company does not currently expect any changes to the underlying cash flows as a result of these defaults and thus has determined that there is no impact to the swaps' qualification for hedge accounting and designation as cash flow hedges.

Commodity Contracts

The Company has long-dated physically delivered commodity contracts that hedge variability in cash flows associated with the sales of power from certain renewable energy facilities located in Texas. These commodity contracts qualify for hedge accounting and are designated as cash flow hedges. Accordingly, the effective portions of the change in fair value of these derivatives are reported in accumulated other comprehensive income and subsequently reclassified to earnings in the periods when the hedged transactions affect earnings. Any ineffective portions of the derivatives' change in fair value are recognized currently in earnings. The amounts deferred in other comprehensive income and reclassified into earnings during the years ended December 31, 2016, 2015 and 2014, related to the commodity contracts are provided in the tables above. The gain expected to be reclassified into earnings over the next twelve months is approximately $2.2 million. The maximum term of outstanding commodity contracts designated as hedges is 13 years.

Derivatives Not Designated as Hedges

Interest Rate Swaps

The Company has interest rate swap agreements that economically hedge the cash flows for non-recourse debt. These interest rate swaps pay a fixed rate and the counterparties to the agreements pay a variable interest rate. The changes in fair value are recorded in interest expense, net in the consolidated statements of operations as these hedges are not accounted for under hedge accounting.

As discussed in *Note 11. Long-term Debt*, the Company experienced defaults under certain of its non-recourse financing agreements prior to the issuance of the financial statements for the years ended December 31, 2016 and 2015. As the Company's interest rate swap agreements contain cross-default provisions, $0.5 million and $0.7 million, respectively, of related liabilities have been reclassified to current as of December 31, 2016 and 2015. The Company is actively working with the counterparties to cure these defaults and obtain waivers as necessary.

As of December 31, 2016, the Company reclassified $4.0 million of current derivative liabilities to liabilities related to assets held for sale and $16.8 million of non-current derivative liabilities to non-current liabilities related to assets held for sale. These pertain to interest rate swap agreements for the U.K. portfolio that were previously designated as cash flow hedges but are now being accounted for as derivatives not designated as hedges, with the changes in fair value being recorded through earnings. The impact of the change in accounting treatment has been discussed previously within this footnote.

Foreign Currency Contracts

The Company has foreign currency contracts in order to economically hedge its exposure to foreign currency fluctuations. The settlement of these hedges occurs on a quarterly basis through maturity. As these hedges are not accounted for under hedge accounting, the changes in fair value are recorded in loss on foreign currency exchange, net in the consolidated statements of operations.

Commodity Contracts

The Company has commodity contracts in order to economically hedge commodity price variability inherent in certain electricity sales arrangements. If the Company sells electricity to an independent system operator market and there is no PPA available, it may enter into a commodity contract to hedge all or a portion of their estimated revenue stream. These commodity contracts require periodic settlements in which the Company receives a fixed-price based on specified quantities of electricity and pays the counterparty a variable market price based on the same specified quantity of electricity. As these hedges are not accounted for under hedge accounting, the changes in fair value are recorded in operating revenues net, in the consolidated statements of operations.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of assets and liabilities are determined using either unadjusted quoted prices in active markets (Level 1) or pricing inputs that are observable (Level 2) whenever that information is available and using unobservable inputs (Level 3) to estimate fair value only when relevant observable inputs are not available. The Company uses valuation techniques that maximize the use of observable inputs. Assets and liabilities are classified in their entirety based on the lowest priority level of input that is significant to the fair value measurement. Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. If the inputs into the valuation are not corroborated by market data, in such instances, the valuation for these contracts is established using techniques including extrapolation from or interpolation between actively traded contracts as well as calculation of implied volatilities. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3. The Company regularly evaluates and validates the inputs used to determine fair value of Level 3 contracts by using pricing services to support the underlying market price of commodity.

The Company uses a discounted cash flow valuation technique to fair value its derivative assets and liabilities. The primary inputs in the valuation models for commodity contracts are market observable forward commodity curves and risk-free discount rates and to a lesser degree credit spreads and volatilities. The primary inputs into the valuation of interest rate swaps and foreign currency contracts are forward interest rates, foreign currency exchange rates, and to a lesser degree credit spreads.

Recurring Fair Value Measurements

The following table summarizes the financial instruments measured at fair value on a recurring basis classified in the fair value hierarchy (Level 1, 2 or 3) based on the inputs used for valuation in the consolidated balance sheets:

(In thousands)	**As of December 31, 2016**				**As of December 31, 2015**			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Interest rate swaps	$ —	$ 1,561	$ —	$ 1,561	$ —	$ 487	$ —	$ 487
Commodity contracts	—	37,195	66,138	103,333	—	43,341	63,154	106,495
Foreign currency contracts	—	1,413	—	1,413	—	5,190	—	5,190
Total derivative assets	$ —	$ 40,169	$ 66,138	$ 106,307	$ —	$ 49,018	$ 63,154	$ 112,172
Liabilities								
Interest rate swaps	$ —	$ 32,377	$ —	$ 32,377	$ —	$ 20,185	$ —	$ 20,185
Foreign currency contracts	—	—	—	—	—	2,326	—	2,326
Total derivative liabilities	$ —	$ 32,377	$ —	$ 32,377	$ —	$ 22,511	$ —	$ 22,511

The Company's interest rate swaps, commodity contracts not designated as hedges and foreign currency contracts are considered Level 2, since all significant inputs are corroborated by market observable data. The Company's commodity contracts designated as hedges are considered Level 3 as they contain significant unobservable inputs. There were no transfers in or out of Level 1, Level 2 and Level 3 during the year ended December 31, 2016.

The following table reconciles the changes in the fair value of derivative instruments classified as Level 3 in the fair value hierarchy for the years ended December 31, 2016 and 2015:

	Year Ended December 31,	
(In thousands)	**2016**	**2015**
Beginning balance	$ 63,154	$ —
Realized and unrealized gains (losses):		
Included in Other Comprehensive Income	8,104	53,022
Included in Operating revenues	7,451	—
Purchases (acquisition of commodity contracts)	—	10,132
Settlements	(12,571)	—
Balance as of December 31	$ 66,138	$ 63,154

The significant unobservable inputs used in the valuation of the Company's commodity contracts categorized as Level 3 of the fair value hierarchy as of December 31, 2016 are as follows:

(In thousands, except range)	**Fair Value as of December 31, 2016**				
Transaction Type	**Assets**	**Liabilities**	**Valuation Technique**	**Unobservable Inputs**	**Range**
Commodity contracts - power	$ 66,138	$ —	Discounted cash flow	Forward price (per MWh)	$ 14.4 - $ 73.4
			Option model	Volatilities	3.0% - 8.2%

The sensitivity of the Company's fair value measurements to increases (decreases) in the significant unobservable inputs is as follows:

Significant Unobservable Input	Position	Impact on Fair Value Measurement
Increase (decrease) in forward price	Forward sale	Decrease (increase)
Increase (decrease) in implied volatilities	Purchase option	Increase (decrease)

The Company measures the sensitivity of the fair value of its Level 3 commodity contracts to potential changes in commodity prices using a mark-to-market analysis based on the current forward commodity prices and estimates of the price volatility. An increase in power forward prices will produce a mark-to-market loss, while a decrease in prices will result in a mark-to-market gain.

Fair Value of Debt

The carrying amount and estimated fair value of the Company's long-term debt as of December 31, 2016 and 2015 is as follows:

	As of December 31, 2016		As of December 31, 2015	
(In thousands)	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Long-term debt, including current portion	$ 3,950,914	$ 4,080,397	$ 4,562,649	$ 4,357,322

The fair value of the Company's long-term debt, except the senior notes was determined using inputs classified as Level 2 and a discounted cash flow approach using market rates for similar debt instruments. The fair value of the senior notes is based on market price information which is classified as a Level 1 input. They are measured using the last available trades at the end of each respective fiscal year. The fair value of the Senior Notes due 2023 and Senior Notes due 2025 were 101.38% and 103.75% of face value as of December 31, 2016, respectively, and 83.13% and 80.75% of face value as of December 31, 2015, respectively. The fair value is not indicative of the amount that the Company would have to pay to redeem these notes as they are not callable at this time.

Nonrecurring Fair Value Measurements

Assets and liabilities that are measured at fair value on a nonrecurring basis relate primarily to renewable energy facilities, goodwill and intangibles, which are remeasured when the derived fair value is below carrying value on the Company's consolidated balance sheet. For these assets, the Company does not periodically adjust carrying value to fair value except in the event of impairment. When the impairment has occurred, the Company measures the impairment and adjusts the carrying value as discussed in *Note 2. Summary of Significant Accounting Policies*.

During the fourth quarter of 2016, certain long-lived assets met the criteria to be classified as held for sale (as discussed in *Note 4. Assets Held for Sale*). The fair value of these long-lived assets was measured, resulting in expected disposal losses of $15.7 million. The long-lived asset fair value amount of $19.5 million was measured by obtaining multiple bids from prospective buyers. The Company did not engage third-party appraisers. The fair value measurement was categorized as Level 2, as significant observable inputs were used in the valuation. The expected disposal losses, which represented the difference between the fair value less costs to sell and the carrying amount of the assets and liabilities held for sale, were recognized in impairment of renewable energy facilities within the consolidated statement of operations for the year ended December 31, 2016.

As discussed in *Note 8. Goodwill*, the Company performed its annual impairment test of the carrying value of its goodwill as of December 1, 2016 and concluded that the goodwill amount of $55.9 million was fully impaired. The inputs used to measure the estimated fair value of goodwill are classified as a Level 3 fair value measurement due to the significance of unobservable inputs using company-specific information.

15. STOCKHOLDERS' EQUITY

Initial Public Offering

On July 23, 2014, TerraForm Power completed its IPO by issuing 20,065,000 shares of its Class A common stock at a price of $25.00 per share (the "IPO Price") for aggregate gross proceeds of $501.6 million. In addition, the underwriters exercised in full their option to purchase an additional 3,009,750 shares of Class A common stock at the IPO Price for aggregate gross proceeds of $75.2 million. Concurrently with the IPO, TerraForm Power sold an aggregate of 2,600,000 shares of its Class A common stock at the IPO Price to Altai Capital Master Fund, Ltd. ("Altai") and Everstream Opportunities Fund I, LLC ("Everstream") (the "Private Placements"), for aggregate gross proceeds of $65.0 million. In addition, on July 23, 2014, as consideration for the acquisition of the Mt. Signal utility-scale solar facility from Silver Ridge Power, LLC ("SRP") at an aggregate purchase price of $292.0 million, Terra LLC issued to SRP 5,840,000 Class B units (and TerraForm Power issued a corresponding number of shares of Class B common stock) and 5,840,000 Class B1 units (and TerraForm Power issued a corresponding number of shares of Class B1 common stock). SRP distributed the Class B shares and units to SunEdison and the Class B1 shares and units to R/C US Solar Investment Partnership, L.P. ("Riverstone"), the owners of SRP.

TerraForm Power received net proceeds of $463.9 million from the sale of the Class A common stock after deducting underwriting discounts, commissions, structuring fees and offering expenses. TerraForm Power received net proceeds of $69.6 million from the underwriters' exercise of their option to purchase an additional 3,009,750 shares of Class A common stock, after deducting underwriting discounts, commissions and structuring fees, which was used to purchase Class B common stock from SunEdison. TerraForm Power also received net proceeds of $65.0 million from the Private Placements. The Company used $159.2 million of net proceeds to repurchase Class B common stock and Class B1 units from SunEdison.

Acquisition Private Placement Offering

On November 26, 2014, TerraForm Power completed the sale of a total of 11,666,667 shares of its Class A common stock in a private placement, or the “Acquisition Private Placement,” to certain eligible investors for a net purchase price of $337.8 million. The Company used the net proceeds from the Acquisition Private Placement to repay a portion of amounts outstanding under its Term Loan among other things. In connection with the Acquisition Private Placement, the Company entered into a registration rights agreement with the purchasers pursuant to which it filed a registration statement with the SEC covering the resale of the purchased shares. The registration statement for these shares became effective on January 8, 2015.

January 2015 Public Offering

On January 22, 2015, TerraForm Power sold 13,800,000 shares of its Class A common stock to the public in a registered offering including 1,800,000 shares sold pursuant to the underwriters' overallotment option. TerraForm Power received net proceeds of $390.6 million, which were used to purchase 13,800,000 Class A units of Terra LLC. Terra LLC used $50.9 million to repurchase 1,800,000 Class B units from SunEdison. Concurrent with this transaction, 1,800,000 shares of TerraForm Power Class B common stock were canceled.

June 2015 Public Offering

On June 24, 2015, TerraForm Power sold 18,112,500 shares of its Class A common stock to the public in a registered offering including 2,362,500 shares sold pursuant to the underwriters' overallotment option. TerraForm Power received net proceeds of $667.6 million, which were used to purchase 18,112,500 Class A units of Terra LLC. Terra LLC used $87.1 million to repurchase 2,362,500 Class B units from SunEdison. Concurrent with this transaction, 2,362,500 shares of TerraForm Power Class B common stock were canceled.

Riverstone Exchange

As of May 28, 2015, all outstanding Class B1 units in Terra LLC and all outstanding shares of Class B1 common stock of TerraForm Power held by Riverstone had been converted into Class A units of Terra LLC held by TerraForm Power and shares of Class A common stock of TerraForm Power.

Reduction in SunEdison's Ownership of Class B Shares

On January 22, 2016, TerraForm Power issued 12,161,844 shares of Class A common stock to affiliates of the D.E. Shaw group, Madison Dearborn Capital Partners IV, L.P. and Northwestern University and Terra LLC issued 12,161,844 Class A units of Terra LLC to TerraForm Power upon conversion of 12,161,844 Class B shares of TerraForm Power common stock and 12,161,844 Class B units of Terra LLC held by SunEdison. After giving effect to the conversion, SunEdison indirectly owned 48,202,310 Class B shares of TerraForm Power and 48,202,310 Class B units of Terra LLC.

Stockholder Protection Rights Agreement

On July 24, 2016, the Company's Board adopted a Stockholder Protection Rights Agreement (the "Rights Agreement") and declared a dividend of one Right on each outstanding share of TerraForm Power Class A common stock. The record date to determine which stockholders are entitled to receive the Rights is August 4, 2016. The Rights Agreement was adopted in response to the potential sale of a significant equity stake in the Company by SunEdison and the potential accumulation of TerraForm Power Class A shares.

As of December 31, 2016, the following shares of TerraForm Power were outstanding:

Share Class:	**Shares Outstanding**	**Shareholder(s)**
Class A common stock	92,223,089	*
Class B common stock	48,202,310	SunEdison
Total Shares	140,425,399	

* Class A common stockholders are comprised of public and private investors, executive officers, management and personnel who provide services to the Company. Shares of Class A common stock outstanding exclude 253,687 shares of common stock held in treasury. The total par value of Class A common stock reflected on the consolidated balance sheet and consolidated statement of stockholders' equity as of December 31, 2016 includes 253,687 shares of stock held in treasury and excludes 459,800 shares of unvested restricted Class A common stock awards (see *Note 16. Stock-based Compensation*).

Dividends

The following table presents cash dividends declared on Class A common stock during 2015 and 2014. TerraForm Power has not declared or paid a dividend since the quarterly dividend for the third quarter of 2015. As a result of the SunEdison Bankruptcy, the limitations on the Company's ability to access the capital markets for its corporate debt and equity securities and other risks that the Company faces as detailed in this report, the Company's management believed it was prudent to defer any decisions on paying dividends to its shareholders for the time being.

	Dividends per Share	**Declaration Date**	**Record Date**	**Payment Date**
2015:				
Third Quarter	$ 0.3500	November 9, 2015	December 1, 2015	December 15, 2015
Second Quarter	0.3350	August 6, 2015	September 1, 2015	September 15, 2015
First Quarter	0.3250	May 7, 2015	June 1, 2015	June 15, 2015
2014:				
Fourth Quarter	0.2700	December 22, 2014	March 2, 2015	March 16, 2015
Third Quarter[1]	0.1717	October 27, 2014	December 1, 2014	December 15, 2014

(1) This amount represented a quarterly dividend of $0.2257 per share, prorated to adjust for a partial quarter as the Company consummated its IPO on July 23, 2014.

Subsequent Events

Merger Agreement and Settlement Agreement

As discussed in *Note 1. Nature of Operations and Basis of Presentation*, on March 6, 2017, TerraForm Power entered into the Merger Agreement with certain affiliates of Brookfield. These affiliates would own approximately 51% of the Class A shares of TerraForm Power following the consummation of the Merger, subject to certain conditions precedent. The Merger Agreement was approved unanimously by the members of the Board of TerraForm Power voting on the matter, following the unanimous recommendation of its Corporate Governance and Conflicts Committee. Completion of the transaction is expected to occur, subject to satisfaction of closing conditions, in the second half of 2017.

Immediately prior to the effective time of the Merger, TerraForm Power will declare the payment of a special cash dividend (the "Special Dividend") in the amount of $1.94 per fully diluted share, which includes the Company's issued and outstanding Class A shares, Class A shares issued to SunEdison pursuant to the Settlement Agreement (more fully described below) and Class A shares underlying outstanding restricted stock units of the Company under the Company's long-term incentive plan.

At the effective time of the Merger, each share of Class A common stock of TerraForm Power issued and outstanding immediately prior to the effective time of the Merger, with the exception of certain excluded shares, will be converted into the right to, at the holder's election and subject to proration as described below, either (i) receive $9.52 per Class A Share, in cash, without interest (the "Per Share Cash Consideration") or (ii) retain one share of Class A common stock, par value $0.01 per share, of the surviving corporation (the "Per Share Stock Consideration," and, together with the Per Share Cash Consideration, without duplication, the "Per Share Merger Consideration"). Issued and outstanding shares include shares issued in connection with the SunEdison Settlement Agreement as more fully described below and shares underlying outstanding restricted stock units of the Company under the Company's long-term incentive plan. The Per Share Stock Consideration will be subject to proration in the event that the aggregate number of Class A Shares for which an election to receive the Per Share Stock Consideration has been made exceeds 49% of the TerraForm Power fully diluted share count (the "Maximum Stock Consideration Shares"). Additionally, the Per Share Cash Consideration will be subject to proration in the event that the aggregate number of Class A shares for which an election to receive the Per Share Cash Consideration has been made exceeds the TerraForm Power fully diluted share count minus (i) the Maximum Stock Consideration Shares, (ii) any Class A shares currently held by affiliates of Brookfield, and (iii) any shares for which the holders seek appraisal under Delaware law.

As part of its strategic alternatives process and the entry into the Merger Agreement, TerraForm Power also entered into the Settlement Agreement with the SunEdison Debtors on March 6, 2017. The Settlement Agreement, which was approved by the Bankruptcy Court, provides that, subject to the consummation of the Merger and certain other conditions, SunEdison will exchange, effective as of immediately prior to the record time for the Special Dividend, all of the Class B units of Terra LLC held by it or any of its controlled affiliates for 48,202,310 Class A shares of TerraForm Power (the "Exchange Shares" and the "Exchange," as applicable). As a result of and following completion of the Exchange, all of the issued and outstanding shares of Class B common stock of TerraForm Power will be redeemed and retired. The Company will also authorize and issue to SunEdison a number of additional Class A shares (the "Additional SunEdison Shares," together with the Exchange Shares, the "SunEdison Shares"), such that, immediately prior to the effective time of the Merger, SunEdison will hold an aggregate number of Class A shares equal to 36.9% of TerraForm Power's fully diluted share count.

16. STOCK-BASED COMPENSATION

The Company has equity incentive plans that provide for the award of incentive and nonqualified stock options, restricted stock awards ("RSAs") and restricted stock units ("RSUs") to personnel and directors who provide services to the Company, including personnel and directors who also provide services to SunEdison, Inc. and TerraForm Global, Inc. The maximum contractual term of an award is ten years from the date of grant. As of December 31, 2016, an aggregate of 3,718,025 shares of Class A common stock were available for issuance under these plans. Upon exercise of stock options or the vesting of the RSUs, the Company will issue shares that have been previously authorized to be issued.

Stock-based compensation costs related to equity awards in the Company's stock are allocated to the Company, SunEdison, Inc. and TerraForm Global, Inc. based on the relative percentage of time that the personnel and directors spend providing services to the respective companies. The amount of stock-based compensation expense related to equity awards in the Company's stock which has been allocated to the Company was $3.4 million, $12.1 million and $5.8 million for the years ended December 31, 2016, 2015 and 2014, respectively, and is reflected in the consolidated statements of operations within general and administrative expenses. The total amount of stock-based compensation cost related to equity awards in the Company's stock which has been allocated to SunEdison, Inc. and TerraForm Global, Inc. was $3.4 million and $10.5 million for the years ended December 31, 2016 and 2015, respectively, and is recognized as a distribution to SunEdison within Net SunEdison investment on the consolidated statement of stockholders' equity with no impact to the Company's consolidated statement of operations. There were no similar stock-based compensation related distributions to or contributions from SunEdison during the year ended December 31, 2014. Similarly, stock-based compensation costs related to equity awards in the stock of SunEdison, Inc. and TerraForm Global, Inc. for personnel and directors who provide services to the Company are allocated to the Company based on the relative percentage of time that the personnel and directors spend providing services to the Company. The amount of stock-based compensation expense related to equity awards in the stock of SunEdison, Inc. and TerraForm Global, Inc. that was allocated to the Company was $2.7 million and $1.0 million for the years ended December 31, 2016 and 2015, respectively, and is reflected in the consolidated statement of operations within general and administrative expenses - affiliate and has been treated as an equity contribution from SunEdison within Net SunEdison investment on the consolidated statement of stockholders' equity. There was no similar amount during the year ended December 31, 2014.

Restricted Stock Awards

RSAs provide the holder with immediate voting rights, but are restricted in all other respects until vested. Upon a termination of employment for any reason, any unvested shares of Class A common stock held by the terminated participant will be forfeited. All unvested RSAs are paid dividends and distributions.

The following table presents information regarding outstanding RSAs as of December 31, 2016 and changes during the year then ended:

	Number of RSAs Outstanding	Weighted-Average Grant-Date Fair Value Per Share	Aggregate Intrinsic Value (in millions)
Balance at January 1, 2016	1,859,616	$ 2.93	
Converted	(619,063)	2.81	
Forfeited	(874,358)	0.68	
Balance as of December 31, 2016	366,195	$ 8.51	$ 4.7

As of December 31, 2016, $0.1 million of total unrecognized compensation cost related to RSAs is expected to be recognized over a weighted average period of approximately 0.1 years.

The removal of the Company's prior Chief Executive Officer on November 20, 2015 resulted in the forfeiture from an accounting perspective of 454,586 RSAs as well as the immediate accelerated vesting of an additional 454,586 RSAs. The aforementioned termination resulted in a net increase to the Company's stock-based compensation expense for the year ended December 31, 2015 of $0.3 million.

On October 30, 2014, the Company modified the award of its former Chief Financial Officer, which resulted in the forfeiture of the existing award and granting of a new award. This modification increased the grant date fair value to $5.6 million, or $1.11 per share.

Restricted Stock Units

RSUs will not entitle the holders to voting rights and holders of the RSUs will not have any right to receive dividends or distributions.

The following table presents information regarding outstanding RSUs as of December 31, 2016 and changes during the year then ended:

	Number of RSUs Outstanding	Aggregate Intrinsic Value (in millions)	Weighted Average Remaining Contractual Life (In Years)
Balance at January 1, 2016	3,208,394		
Granted	439,595		
Converted	(488,076)		
Forfeited	(1,536,960)		
Balance as of December 31, 2016	1,622,953	20.8	1.1

As of December 31, 2016, $15.1 million of total unrecognized compensation cost related to RSUs is expected to be recognized over a weighted average period of approximately 1.8 years. The weighted average fair value of RSUs on the date of grant was $11.61 and $20.60 for the years ended December 31, 2016 and 2015, respectively.

On August 11, 2016, the Company awarded 128,272 RSUs to certain employees of SunEdison and certain employees and executive officers of TerraForm Global, Inc. and the Company. These are time-based awards which will vest on the following schedule: 25% after one year, 25% after two years, and 50% after three years. The grant-date fair value of these awards was $1.6 million, which was calculated based on the Company's closing stock price on the date of grant, and will be recognized as compensation cost by SunEdison and the Company on a straight-line basis over the three year service period.

On March 1, 2016, the Company awarded 87,660 RSUs to certain employees and executive officers of SunEdison, TerraForm Global, Inc. and the Company. These are time-based awards which will vest on the following schedule: 25% after one year, 25% after two years, and 50% after three years. The grant-date fair value of these awards was $0.8 million, which was calculated based on the Company's closing stock price on the date of grant, and will be recognized as compensation cost by SunEdison and the Company on a straight-line basis over the three year service period.

The removal of the Company's prior Chief Financial Officer on November 20, 2015 resulted in the forfeiture of 106,250 RSUs as well as the immediate accelerated vesting of an additional 106,250 RSUs. The aforementioned termination resulted in a net increase to the Company's stock-based compensation expense for the year ended December 31, 2015 of $0.9 million.

On December 22 and 23, 2015, the Company awarded 1,264,880 RSUs to certain employees and executive officers of SunEdison, TerraForm Global, Inc. and the Company. These are time-based awards which will vest on the following schedule: 25% after one year, 25% after two years, and 50% after three years. The grant-date fair value of these awards was $15.7 million, which was calculated based on the Company's closing stock price on the date of grant, and will be recognized as compensation cost on a straight-line basis over the three year service period.

On March 10, 2015, the Company awarded 841,900 RSUs to certain employees and executive officers of SunEdison and the Company. These RSU awards are 80% performance-based and 20% time-based, which are vested at 25% per year over a four-year period. The grant-date fair value of the performance-based awards was $23.0 million, which was calculated based on the Company's stock price as of the date of grant since meeting the requisite performance conditions was considered probable as of this date. There are three performance tiers related to these awards with each tier representing 33% of the entire grant. Each of the performance tiers are based on dividend per share targets, as pre-determined and approved by the Company's Board. If certain performance goals are not achieved, the first, second or third performance tiers are forfeited in its entirety. If certain performance goals are met by the first quarter of 2016, 2017, and 2018, as measured by the last twelve months, the first, second and third tier will vest at 50%, 75% or 100%. As the achievement of these performance metrics was not considered probable as of the fourth quarter of 2015, all previously recognized compensation expense for each tier of the award was reversed during the fourth quarter of 2015 and no compensation expense related to these awards was recognized during the year ended December 31, 2016. The grant-date fair value of the time-based awards was $5.8 million, which was calculated based on the Company's stock price as of the date of grant. Compensation expense related to these time-based awards is being recognized as on a straight-line basis over the requisite service periods of four years.

On July 28, 2015, SunEdison began recognizing expense related to 199,239 performance-based RSUs granted by the Company to certain employees of First Wind in connection with its acquisition by SunEdison on January 29, 2015. The performance-based awards were issued in three tranches covering the 2015, 2016, and 2017 fiscal year performance periods and are based on the achievement of targets related to additions to SunEdison's renewable energy generation project development pipeline and backlog, the volume of renewable energy generation projects transferred into the Company or SunEdison's warehouse vehicles, and the achievement of cash available for distribution by wind power plants sold to the Company through the First Wind Acquisition agreement. The grant-date fair value of these awards was $6.2 million which will be recognized as compensation expense on a straight-line basis over the requisite service periods of one year for the 2015 tranche, two years for the 2016 tranche, and three years for the 2017 tranche. The grant-date fair value of these awards was calculated based on the Company's stock price on the date of grant since meeting the requisite performance conditions was considered probable as of this date. As the achievement of these performance metrics was not considered probable as of the first quarter of 2016, all previously recognized compensation expense for the tranches covering 2015 and 2016 was reversed during the first quarter of 2016 and there are no remaining unvested shares as of December 31, 2016.

Stock Options

The following table presents information regarding outstanding stock options as of December 31, 2016 and changes during the year then ended:

	Number of Stock Options Outstanding	Weighted Average Exercise Price Per Share
Balance as of January 1, 2016	56,250	$ 29.31
Expired	(56,250)	29.31
Balance as of December 31, 2016	—	$ —

As of December 31, 2016 and 2015, there was no unrecognized compensation cost in relation to outstanding stock options.

Subsequent Events

Merger Agreement

As discussed in *Note 1. Nature of Operations and Basis of Presentation*, on March 6, 2017, TerraForm Power entered into the Merger Agreement with affiliates of Brookfield. Pursuant to the TerraForm Power 2014 Second Amended and Restated Long-Term Incentive Plan, if the Merger is consummated, it will result in a change of control and all outstanding equity awards (RSAs and RSUs) will vest, which would result in a significant stock-based compensation charge in such period. As of December 31, 2016, the Company had $15.2 million of unrecognized compensation expense related to outstanding equity awards.

17. LOSS PER SHARE

Loss per share is based upon the weighted average shares outstanding. Net loss attributable to Class A common stockholders is reduced by the amount of deemed dividends related to the accretion of redeemable non-controlling interest and the amount of dividends paid on Class A shares and participating RSAs. Unvested RSAs that contain non-forfeitable rights to dividends are treated as participating securities and are included in the loss per share computation using the two-class method, to the extent that there are undistributed earnings available as such securities do not participate in losses.

Basic and diluted loss per share of the Company's Class A common stock for the years ended December 31, 2016, 2015 and 2014 was calculated as follows:

	Year Ended December 31,		
(In thousands, except per share amounts)	2016	2015	2014
Basic and diluted loss per share[1]:			
Net loss attributable to Class A common stockholders	$ (129,847)	$ (79,886)	$ (25,617)
Less: accretion of redeemable non-controlling interest	(3,962)	—	—
Less: dividends paid on Class A shares and participating RSAs	—	(74,377)	—
Undistributed loss attributable to Class A shares	$ (133,809)	$ (154,263)	$ (25,617)
Weighted average basic and diluted Class A shares outstanding	90,815	65,883	29,602
Distributed earnings per share	$ —	$ 1.09	$ —
Undistributed loss per share	(1.47)	(2.34)	(0.87)
Basic and diluted loss per share	$ (1.47)	$ (1.25)	$ (0.87)

(1) The computations for diluted loss per share of the Company's Class A common stock for the year ended December 31, 2016 exclude 459,800 of unvested RSAs and 1,622,953 of unvested RSUs because the effect would have been anti-dilutive. The computations for diluted loss per share of the Company's Class A common stock for the year ended December 31, 2015 exclude 1,334,158 of unvested RSAs, 3,208,394 of unvested RSUs and 56,250 vested and exercisable options to purchase the Company's shares because the effect would have been anti-dilutive, and the computations for diluted loss per share of the Company's Class A common stock for the year ended December 31, 2014 exclude 3,485,155 of unvested RSAs, 825,943 of unvested RSUs and 150,000 options to purchase the Company's shares because the effect would have been anti-dilutive.

18. NON-CONTROLLING INTERESTS

Non-controlling Interests

Non-controlling interests represent the portion of net assets in consolidated entities that are not owned by the Company. The following table presents the non-controlling interest balances reported in stockholders' equity in the consolidated balance sheets as of December 31, 2016 and 2015:

(In thousands)	December 31, 2016	December 31, 2015
SunEdison's non-controlling interest in Terra LLC	$ 660,799	$ 897,409
Non-controlling interests in renewable energy facilities	804,243	858,117
Total non-controlling interests	$ 1,465,042	$ 1,755,526

As of December 31, 2016, TerraForm Power owned 65.7% of Terra LLC and consolidated the results of Terra LLC through its controlling interest, with SunEdison's 34.3% interest shown as a non-controlling interest.

Non-controlling Interest Buyout

On March 31, 2015, the Company completed the buyout of approximately 92% of one of the partners' tax equity ownership interest in the Company's Kaheawa Wind Power I facility. The value associated with the buyout was deemed to be the fair value of the non-controlling interest as of the acquisition date. The cash paid for this buyout was $54.7 million.

Redeemable Non-controlling Interests

Non-controlling interests in subsidiaries that are redeemable either at the option of the holder or at fixed and determinable prices at certain dates are classified as redeemable non-controlling interests in subsidiaries between liabilities and stockholders' equity in the consolidated balance sheets. The redeemable non-controlling interests in subsidiaries balance is determined using the hypothetical liquidation at book value method for the VIE funds or allocation of share of income or losses in other subsidiaries subsequent to initial recognition; however, the non-controlling interests balance cannot be less than the estimated redemption value. The Company recorded a $4.0 million adjustment to the value of the Invenergy Wind redeemable non-controlling interest as of December 31, 2016, reflecting the excess of the future redemption value over its carrying amount at the balance sheet date based on SEC guidance in ASC 480-10-S99-3A. The Company accretes the redemption value of the redeemable non-controlling interest over the redemption period using the straight-line method. See additional information pertaining to this redemption feature in *Note 5. Acquisitions*.

The following table presents the activity of the redeemable non-controlling interest balance for the years ended December 31, 2016, 2015 and 2014:

	Redeemable Non-controlling Interests		
(In thousands)	**Capital**	**Retained Earnings**	**Total**
Balance as of December 31, 2013	$ —	$ —	$ —
Consolidation of redeemable non-controlling interests in acquired renewable energy facilities	24,338	—	24,338
Balance as of December 31, 2014	$ 24,338	$ —	$ 24,338
Consolidation of redeemable non-controlling interests in acquired renewable energy facilities	151,408	—	151,408
Sale of membership interests in renewable energy facilities	3,032	—	3,032
Repurchase of non-controlling interest in renewable energy facility	(8,504)	—	(8,504)
Distributions	(2,764)	—	(2,764)
Currency translation adjustment	(311)	—	(311)
Net income	—	8,512	8,512
Balance as of December 31, 2015	$ 167,199	$ 8,512	$ 175,711
Sale of membership interests in renewable energy facilities	1,011	—	1,011
Distributions	(10,764)	—	(10,764)
Acquisition accounting adjustment to redeemable non-controlling interest in acquired renewable energy facility	(7,918)	—	(7,918)
Accretion of redeemable non-controlling interest	3,962	—	3,962
Net income	—	18,365	18,365
Balance as of December 31, 2016	$ 153,490	$ 26,877	$ 180,367

19. COMMITMENTS AND CONTINGENCIES

Letters of Credit

The Company's customers, vendors and regulatory agencies often require the Company to post letters of credit in order to guarantee performance under relevant contracts and agreements. The Company is also required to post letters of credit to secure obligations under various swap agreements and leases and may, from time to time, decide to post letters of credit in lieu of cash deposits in reserve accounts under certain financing arrangements. The amount that can be drawn under some of these letters of credit may be increased from time to time subject to the satisfaction of certain conditions. As of December 31, 2016, the Company had outstanding letters of credit under the Revolver of $68.9 million and outstanding project-level letters of credit of $142.8 million.

Guarantee Agreements

The Company and its subsidiaries have provided guarantees to certain of its institutional tax equity investors and financing parties in connection with its tax equity financing transactions. These guarantees do not guarantee the returns targeted by the tax equity investors or financing parties, but rather support any potential indemnity payments payable under the tax equity agreements, including related to management of tax partnerships and recapture of tax credits or renewable energy grants in connection with transfers of the Company's direct or indirect ownership interests in the tax partnerships to entities that are not qualified to receive those tax benefits. The Company and its subsidiaries have also provided guarantees in connection with acquisitions of third party assets or to support project contractual obligations, including renewable energy credit sales agreements, and may provide additional guarantees in connection with future acquisitions or project contractual obligations. The Company and its subsidiaries have also provided other capped or limited contingent guarantees and other support obligations with respect to certain project-level indebtedness.

Commitments to Acquire Renewable Energy Facilities

As of December 31, 2016, the Company did not have any open commitments to acquire renewable energy facilities from SunEdison, other than as described with respect to the Invenergy Wind Option Agreements (see *Note 20. Related Parties* for further discussion).

The Company had a commitment of $58.7 million to acquire two wind power plants with a combined nameplate capacity of 98.6 MW from Invenergy Wind that expired on July 1, 2016. On January 20, 2017, Invenergy Wind provided notice of termination of the purchase agreement related to these power plants, and as a result, the Company does not expect to purchase these facilities.

Operating Leases

The Company leases land and buildings under operating leases. Total rental expense was $23.5 million, $12.2 million and $1.0 million during the years ended December 31, 2016, 2015 and 2014, respectively. The following table summarizes the Company's future commitments under operating leases as of December 31, 2016:

(in thousands)	2017	2018	2019	2020	2021	Thereafter	Total
Rent	$ 16,705	$ 16,485	$ 16,601	$ 16,797	$ 16,986	$ 274,869	$ 358,443

Legal Proceedings

The Company is not a party to any legal proceedings other than various administrative and regulatory proceedings arising in the ordinary course of the Company's business or as described below. While the Company cannot predict with certainty the ultimate resolution of such proceedings or other claims asserted against the Company, certain of the claims, if adversely concluded, could result in substantial damages or other relief.

Stockholder Derivative Lawsuits

On December 28, 2015, a verified stockholder derivative complaint (Central Laborers' Pension Fund et al. v. Peter Blackmore et al., Case No. 11847) on behalf of the Company, was filed in the Court of Chancery in the State of Delaware against the Company, as nominal defendant, and SunEdison and certain individual directors of the Company, as defendants (the "Central Laborers' Proceeding"). The lawsuit alleged that certain members of the Company's Board breached their fiduciary duties of loyalty and care by agreeing to enter into an agreement (the "July Vivint Transaction") with SunEdison on July 20, 2015 to acquire certain residential rooftop solar assets (the "Vivint Assets") that SunEdison was acquiring as part of SunEdison's acquisition of Vivint Solar, Inc. ("Vivint Solar"), by agreeing to terms that were grossly unfair to the Company and designed for the benefit of SunEdison, thereby failing to act in the best interests of the Company. The lawsuit further alleged that the approval of the modifications to the Company's agreements under the July Vivint Transaction (the "December Vivint Transaction") by the Board of the Company was on terms that were unfair to the Company and improperly favored SunEdison to the detriment of the Company and its stockholders. The complaint further alleged that SunEdison, as the Company's controlling stockholder, breached its fiduciary duty not to advance SunEdison's interest at the expense of the Company's interests by causing the Company to (i) overpay to acquire assets in both the July Vivint Transaction and in the December

Vivint Transaction in order to finance SunEdison's purchase of Vivint Solar, and (ii) commit to purchase future residential solar generation facilities from SunEdison over the next five years so that SunEdison could use the Company's commitment to acquire a loan to partially cover its financial obligations in its transaction to acquire Vivint Solar. The plaintiffs in the lawsuit sought damages for the Company for the damages the Company had and would suffer as a result of the defendants' breaches of fiduciary duty. The lawsuit also sought an award of the plaintiffs' costs and disbursements, including attorneys' fees and expenses.

On January 12, 2016, a verified stockholder derivative complaint (Appaloosa Investment Limited Partnership I et al. v. SunEdison, Inc. et al., Case No. 11898) on behalf of the Company was filed in the Court of Chancery in the State of Delaware against the Company, as nominal defendant, and against SunEdison and three of the Company's individual directors, as defendants (the "Appaloosa Proceeding"). The lawsuit alleged that SunEdison, as the Company's controlling stockholder, breached its fiduciary duties to the Company and its minority stockholders by causing the Company, amongst other things, to (i) enter into an amended transaction to acquire the Vivint Assets from SunEdison for its benefits at the expense of the Company's interests, (ii) purchase the Vivint Assets at an unfair price, and (iii) agree to an unfair take/pay arrangement so that SunEdison could use such commitment by the Company to acquire a loan to partially cover its financial obligations in connection with its own contemplated merger with Vivint Solar, for which SunEdison never compensated the Company. The lawsuit also contended that the then-current members of the Corporate Governance and Conflicts Committee of the Company's Board breached their fiduciary duty of loyalty to the Company's minority stockholders by, amongst other things, approving the transaction on terms that were unfair to the Company and improperly favored SunEdison to the detriment of the Company and its stockholders. The lawsuit sought to enjoin the completion of the transaction, rescission of such transaction or, alternatively, awarding rescissory damages, in the event it was consummated. The lawsuit also sought an award of the plaintiffs' costs and disbursements, including reasonable attorneys' fees and expenses.

On January 26, 2016, the Delaware Chancery Court consolidated the Appaloosa Proceeding and the Central Laborers' Proceeding into a single proceeding and named Appaloosa Investment Limited Partnership I as lead plaintiff and named counsel to the lead plaintiff as lead counsel (the "Consolidated Proceeding"). On February 16, 2016, the Delaware Chancery Court held a hearing on the plaintiff's motion for a preliminary injunction of the Vivint transaction, and on February 26, 2016, the Chancery Court issued a bench ruling denying plaintiff's motion for a preliminary injunction. In that ruling, the court concluded that the plaintiffs had not demonstrated that irreparable harm would result if the court failed to preliminarily enjoin the Company's purchase of the Purchased Subsidiaries under the Amended Purchase Agreement with SunEdison and the Company's entry into the take/pay transaction pursuant to the Amended and Restated Interim Agreement with SunEdison (collectively, the "Challenged Transaction").

Following the termination of the Vivint acquisition, the Plaintiffs filed an amended complaint alleging that SunEdison and certain director defendants breached their fiduciary duties by engaging in the Challenged Transaction and associated management changes. The Plaintiffs' amended complaint sought money damages to be determined at trial and equitable relief intended to undo those management changes and to require that the Conflicts Committee of the Company be chosen by the majority of the Company's Class A shareholders. On April 20, 2016, the Plaintiffs filed a second amended complaint that added allegations against certain of the Company's directors for failing to appoint new members to the Conflicts Committee following the appointment of the then-current members of the Conflicts Committee to the then newly created Office of the Chairman. Effective April 21, 2016, the Office of the Chairman was abolished, and the Board of the Company confirmed and ratified that Peter Blackmore was serving as the Company's Chairman and Interim Chief Executive Officer.

On June 20, 2016, the Defendants filed a briefing in support of motions to dismiss the case. On August 25, 2016, the parties informed the Delaware Chancery Court that they were discussing settlement. In light of these settlement discussions, the court suspended the deadlines associated with the pending motions to dismiss. On September 27, 2016, the Company reached a settlement agreement with Appaloosa Investment Limited Partnership I to resolve its stockholder derivative suit, as well as derivative claims by stockholders relating to the Vivint Solar transaction. On December 19, 2016, the Chancery Court approved the proposed settlement. The settlement agreement provided for certain corporate governance initiatives, which have been implemented, and the payment of up to $3 million of legal fees and expenses of the plaintiffs, which were paid by the Company's directors' and officers' liability insurance providers. The period for appeals has now expired.

Securities Class Action

On April 4, 2016, a securities class action under federal securities laws (Chamblee v. TerraForm Power, Inc., et al., Case No. 1:16-cv-00981-JFM) (the "Chamblee Class Action") was filed in the United States District Court for the District of

Maryland against the Company and two of its former officers (one of which was also a director of the Company) asserting claims under Section 10(b) and 20(a) of the Securities and Exchange Act of 1934 and SEC Rule 10b-5 on behalf of a putative class. The Complaint alleges that the defendants made materially false and misleading statements regarding the Company's business, operational and compliance policies, including with respect to disclosures regarding SunEdison's internal controls and the Company's reliance on SunEdison. An amended complaint was filed on September 26, 2016 and a former officer and director of the Company were added as defendants. On October 4, 2016, the Judicial Panel on Multidistrict Litigation transferred this matter to the U.S. District Court for the Southern District of New York (SDNY) for consolidated or coordinated pretrial proceedings. On December 19, 2016, an initial case management conference was held in the multidistrict litigation proceedings in the SDNY. The Court entered an order requiring all parties to the multidistrict litigation to mediate and entered a partial stay of all proceedings through March 31, 2017. On March 24, 2017, the plaintiffs filed an amended complaint adding three additional directors and officers of the Company as defendants, as well as additional factual allegations. On June 9, 2017, the Company filed a motion to dismiss the case. After mediation, the parties agreed in principle to a settlement of $14.8 million conditioned on, among other things, funding of the settlement by the Company's directors' and officers' liability insurance providers to the satisfaction of the Company. The Company believes that the settlement is likely to be consummated and that a substantial majority of the settlement will be paid by insurance, but, as of the time of this writing, there can be no assurance that this will be the case. The Company's present intention is not to proceed with the settlement in the event (which the Company believes is unlikely) that the Company itself would be required to contribute an uninsured amount towards the settlement which would be material to the Company's consolidated results of operations.

Settlement Agreement with Latin America Power Holding

On April 20, 2016, TerraForm Power and Terra LLC (together, the "TerraForm Power Parties") entered into a Settlement and Mutual Release Agreement (the "LAP Settlement Agreement") with BTG Pactual Brazil Infrastructure Fund II, L.P., P2 Brasil Private Infrastructure Fund II, L.P., P2 Fund II LAP Co-Invest, L.P., P2 II LAP Co-Invest UK, L.P., GMR Holding B.V. (collectively, the "LAP Shareholders"), and Roberto Sahade, LAP's chief executive officer (together with the LAP Shareholders and the TerraForm Power Parties, the "Parties"). The LAP Settlement Agreement resolves the disputes between the Parties in connection with the previously announced termination of that certain Amended and Restated Share Purchase Agreement, dated May 19, 2015 (the "Share Purchase Agreement"), among SunEdison Holdings Corporation and the LAP Shareholders, and the guarantee issued by TerraForm Power in connection therewith, relating to the acquisition of Latin America Power Holding, B.V. ("LAP"), that were the subject of an arbitration proceeding (the "Arbitration"). On March 3, 2016, TerraForm Power, SunEdison Holdings Corporation, SunEdison, Inc. and the LAP Shareholders entered into a settlement agreement with respect to the Arbitration (the "March Settlement Agreement"). Subsequent to the execution of the March Settlement Agreement, SunEdison Holdings Corporation failed to make a required payment under the terms of the agreement and as a result the LAP Shareholders recommenced the Arbitration against all parties, including TerraForm Power.

Pursuant to the LAP Settlement Agreement, TerraForm Power made a one-time payment to LAP in the amount of $10.0 million in April of 2016 in exchange for and contingent on the termination of the Arbitration against TerraForm Power. This amount was accrued for as of December 31, 2015 and is reported in general and administrative expenses in the consolidated statement of operations for the year ended December 31, 2015. None of the Parties has admitted to any wrongdoing or liability with respect to the claims asserted in the Arbitration, and the Parties have granted each other full releases of any further obligations under the Share Purchase Agreement and related agreements (including the TerraForm Power guarantee). The LAP Settlement Agreement does not impact any claims that the LAP Shareholders or the TerraForm Power Parties may have against SunEdison, Inc. and SunEdison Holdings Corporation in connection with the transactions described above.

Daniel Gerber v. Wiltshire Council

On February 23, 2016, the U.K. Court of Appeals granted the appeal by the Company and the relevant local governmental authority and overturned an earlier decision by the U.K. High Court to quash (nullify) the planning permission necessary to build the Company's 11.1 MW Norrington solar generation facility in Wiltshire, England. Among other things, the Court of Appeals held that the lower court erred in extending the time for the plaintiff to challenge the planning permission beyond the statutory appeal period. As a result of the successful appeal, the validity of the planning permission was reconfirmed. The plaintiff sought permission of the Supreme Court to appeal the decision of the Court of Appeals; however, permission was denied by the Supreme Court. The Company will, however, have to seek certain amendments to the permit or modify certain aspects of the power plant to come in full compliance with its terms.

Claim relating to First Wind Acquisition

On May 27, 2016, D.E. Shaw Composite Holdings, L.L.C. and Madison Dearborn Capital Partners IV, L.P., as the representatives of the sellers (the "First Wind Sellers") filed an amended complaint for declaratory judgment against the Company and Terra LLC in the Supreme Court of the State of New York alleging breach of contract with respect to the Purchase and Sale Agreement, dated as of November 17, 2014 (the "FW Purchase Agreement") between, among others, SunEdison, the Company and Terra LLC and the First Wind Sellers. The amended complaint alleges that Terra LLC and SunEdison became jointly obligated to make $231.0 million in earn-out payments in respect of certain development assets SunEdison acquired from the First Wind Sellers under the FW Purchase Agreement, when those payments were purportedly accelerated by SunEdison's bankruptcy and by the resignations of two SunEdison employees. The amended complaint further alleges that the Company, as guarantor of certain Terra LLC obligations under the FW Purchase Agreement, is liable for this sum. Defendants filed a motion to dismiss the amended complaint on July 5, 2016, on the ground that, among other things, SunEdison is a necessary party to this action. Plaintiffs filed an opposition to the motion to dismiss on August 22, 2016. Defendants filed their reply on September 12, 2016. A hearing on the motion to dismiss took place on January 24, 2017. The Company is awaiting a decision on the motion to dismiss.

The Company believes the First Wind Sellers' allegation is without merit and will contest the claim and allegations vigorously. However, the Company cannot predict with certainty the ultimate resolution of any proceedings brought in connection with such a claim.

Whistleblower Complaint By Francisco Perez Gundin

On May 18, 2016, the Company's former Director and Chief Operating Officer, Francisco Perez Gundin ("Perez"), filed a complaint against the Company, TerraForm Global, Inc. and certain individuals, with the United States Department of Labor. The complaint alleges that Defendants engaged in a retaliatory termination of Mr. Perez's employment after he allegedly voiced concerns to SunEdison's Board of Directors about public representations made by SunEdison officers regarding SunEdison's liquidity position, and after he allegedly voiced his opposition to transactions that he alleges were self-interested and which he alleges SunEdison forced on the Company. He alleges that the Company participated in SunEdison's retaliatory termination by constructively terminating his position as Chief Operating Officer of the Company in connection with SunEdison's constructive termination of his employment. He seeks lost wages, bonuses, benefits, and other money that he alleges that he would have received if he had not been subjected to the allegedly retaliatory termination. The Company's Position Statement in response to the Complaint was filed in October of 2016.

On February 21, 2017, Mr. Perez filed Gundin v. TerraForm Global, Inc. et al. against TerraForm Power, TerraForm Global, Inc. and certain individuals as defendants in the United States District Court for the District of Maryland. The complaint asserts claims for retaliation, breach of the implied covenant of good faith and fair dealing and promissory estoppel based on the same allegation in Mr. Perez's Department of Labor complaint. On March 15, 2017, the Company filed notice with the Judicial Panel on Multidistrict Litigation to transfer this action to the Southern District of New York where the Chamblee Class Action and other cases not involving the Company relating to the SunEdison Bankruptcy are being tried. The plaintiff did not oppose the transfer, which was approved by the Judicial Panel on Multidistrict Litigation.

The Company previously engaged in settlement discussions with respect to this proceeding and reserved for the estimated loss related to this complaint as of December 31, 2016, which is not considered material to the Company's consolidated results of operations. However, the Company is unable to predict with certainty the ultimate resolution of these proceedings.

Whistleblower Complaint By Carlos Domenech Zornoza

On May 10, 2016, the Company's former Director and Chief Executive Officer, Carlos Domenech Zornoza ("Domenech"), filed a complaint against the Company, TerraForm Global, Inc. and certain individuals, with the United States Department of Labor. The complaint alleges that Defendants engaged in a retaliatory termination of Mr. Domenech's employment on November 20, 2015 after he allegedly voiced concerns to SunEdison's Board of Directors about public representations made by SunEdison officers regarding SunEdison's liquidity position, and after he allegedly voiced his opposition to transactions that he alleges were self-interested and which he alleges SunEdison forced on the Company. He alleges that the Company participated in SunEdison's retaliatory termination by terminating his position as Chief Executive

Officer of the Company in connection with SunEdison's termination of his employment. He seeks lost wages, bonuses, benefits, and other money that he alleges that he would have received if he had not been subjected to the allegedly retaliatory termination. The Company's Position Statement in response to the Complaint was filed in October of 2016.

On February 21, 2017, Mr. Domenech filed Domenech Zornoza v. TerraForm Global, Inc. et. al against TerraForm Power, TerraForm Global, Inc. and certain individuals as defendants in the United States District Court for the District of Maryland. The complaint asserts claims for retaliation, breach of the implied covenant of good faith and fair dealing and promissory estoppel based on the same allegations in Mr. Domenech's Department of Labor complaint. On March 15, 2017, the Company filed notice with the Judicial Panel on Multidistrict Litigation to transfer this action to the Southern District of New York where the Chamblee Class Action and other cases not involving the Company relating to the SunEdison Bankruptcy are being tried. The plaintiff opposed the transfer. However, the transfer was approved by the Judicial Panel on Multidistrict Litigation.

The Company previously engaged in settlement discussions with respect to this proceeding and reserved for the estimated loss related to this complaint as of December 31, 2016, which is not considered material to the Company's consolidated results of operations. However, the Company is unable to predict with certainty the ultimate resolution of these proceedings.

Eastern Maine Electric Cooperative Litigation

On November 21, 2016, the Penobscot County Maine Superior Court entered judgment in the amount of $13.6 million against First Wind Holdings, LLC ("First Wind"), an indirect subsidiary of SunEdison, Inc., and several subsidiaries of the Company. The plaintiff filed judgment liens against the defendants which will stay outstanding through the appeals process. The action involved a claimed breach of contract arising out of a contract between First Wind and Eastern Maine Electric Cooperative, Inc. ("EMEC"), under which First Wind, on behalf of itself and its then wholly-owned subsidiaries, agreed to negotiate a definitive agreement to transfer to EMEC a portion of a transmission line. The transmission line is owned, in part, by one of the Company's subsidiaries, and is the sole means of transmitting power from the Rollins, Stetson I and Stetson II wind farms. The subsidiaries that own these wind farms and the transmission line were acquired by the Company as part of the Company's acquisition of certain of the operating assets of First Wind Holdings. The Company believes all the defendants acted in good faith and the Company's subsidiaries that are defendants in the action intend to continue to vigorously contest the allegations and appeal the verdict. The judgment was for money damages and, if upheld on appeal, would not be expected to result in a loss of the use of the transmission line by the Company's subsidiaries. The amount of the judgment was accrued for as of December 31, 2015 and 2016 and is reported in general and administrative expenses in the consolidated statement of operations for the year ended December 31, 2015.

Threatened Avoidance Actions

On November 7, 2016, the unsecured creditors' committee in the SunEdison Bankruptcy filed a motion with the Bankruptcy Court seeking standing to assert against the Company, on behalf of SunEdison, avoidance claims arising from payments and other intercompany transactions between the Company and SunEdison dating back to the Company's initial public offering and including drop-down transactions involving the sale of renewable energy facilities by SunEdison to the Company. The Company's objection to the standing motion was filed on November 29, 2016. As described in *Note 1. Nature of Operations and Basis of Presentation* and *Note 20. Related Parties*, the Company and SunEdison have entered into the Settlement Agreement pursuant to which the Company and SunEdison will release these claims and substantially all other intercompany claims between the Company and SunEdison. The Settlement Agreement has been approved by the Bankruptcy Court but the effectiveness of the release of claims between the Company and SunEdison remains subject to the consummation of the Merger with affiliates of Brookfield or other transaction jointly supported by the Company and SunEdison or a Stand-Alone Conversion and certain other conditions.

A failure of the Settlement Agreement to become effective may result in litigation of the underlying claims. In that case, the Company would vigorously contest any relevant claims brought by SunEdison or any other party. However, the Company cannot predict with certainty the ultimate resolution of any proceedings brought in connection with such a claim.

20. RELATED PARTIES

SunEdison Bankruptcy

As described above, the SunEdison Debtors filed for bankruptcy on April 21, 2016. The Company is not a part of the SunEdison Bankruptcy and has no plans to file for bankruptcy itself. The Company does not rely on SunEdison for funding or liquidity and believes that the Company will have sufficient liquidity to support its ongoing operations, absent the potential negative impact of default conditions that could arise from failure to meet financial statement deadlines as described in *Note 1. Nature of Operations and Basis of Presentation* and *Note 11. Long-term Debt*. The Company believes its equity interests in its renewable energy facilities that are legally owned by the Company's subsidiaries are not available to satisfy the claims of the creditors of the SunEdison Bankruptcy.

As discussed below, the Company and SunEdison are currently parties to multiple agreements, including the Management Services Agreement ("MSA"), project-level O&M and asset management agreements, engineering procurement and construction agreements and other support agreements, including module warranties with respect to SunEdison produced modules. Moreover, at the time of the Company's IPO, SunEdison and the Company entered into a complex contractual arrangement setting forth the terms and conditions of SunEdison's sponsorship of the Company, which included, among other things, the MSA, Interest Payment Agreement and Support Agreement. The Company believes that this sponsor arrangement comprises a single integrated transaction. The agreements comprising this sponsor arrangement are set forth in separate documents and discussed individually in this Form 10-K.

During the SunEdison Bankruptcy, SunEdison has not performed substantially as obligated under its agreements with the Company, including under this sponsor arrangement and certain O&M and asset management arrangements. In order to mitigate any adverse effects of this non-performance, the Company has undertaken a strategic initiative to transition away from SunEdison as a sponsor, including establishing a stand-alone corporate structure and seeking to retain third party or in-house solutions for project level asset management and O&M. SunEdison's failure to perform substantially as obligated under its agreements with the Company, including under this sponsor arrangement, project-level O&M and asset management agreements and other support agreements, may have a material adverse effect on the Company.

Settlement with SunEdison

As discussed in *Note 1. Nature of Operations and Basis of Presentation*, TerraForm Power entered into the Settlement Agreement with SunEdison on March 6, 2017. The Settlement Agreement has been approved by the Bankruptcy Court but the effectiveness of the intercompany releases and certain other provisions remain subject to the consummation of the Merger or other transaction jointly supported by the Company and SunEdison or a Stand-Alone Conversion and certain other conditions. Upon its effectiveness, subject to the foregoing conditions, the Settlement Agreement will resolve claims between TerraForm Power and SunEdison, including, among other things, claims of SunEdison against the Company for alleged fraudulent and preferential transfers and claims of the Company against SunEdison, including those outlined in the initial proof of claim filed by the Company in the SunEdison Bankruptcy on September 25, 2016 and on October 7, 2016. Under the Settlement Agreement, all such claims will be mutually released, and any agreements between SunEdison Debtors and SunEdison parties to the Settlement Agreement on the one hand and the Company on the other hand will be rejected, subject to certain limited exceptions, and no party will be deemed to have liability under those rejected agreements. The Settlement Agreement also provides that, immediately prior to the record time for the Special Dividend, all Class B shares of TerraForm Power and Class B units of Terra LLC held by SunEdison will be exchanged for Class A Shares of TerraForm Power, and TerraForm Power will issue approximately 6.6 million additional shares to SunEdison, such that, immediately prior to the effective time of the Merger, SunEdison will hold 36.9% of the fully diluted shares of TerraForm Power. SunEdison will also transfer the IDRs of Terra LLC that SunEdison holds to an affiliate of Brookfield. The TerraForm Power Board approved the Settlement Agreement upon the recommendation of the Corporate Governance and Conflicts Committee, each member of which is independent (pursuant to applicable NASDAQ rules) and does not also serve on the Board of Directors of TerraForm Global.

Management Services Agreement

Prior to the IPO, general and administrative expenses - affiliate represented amounts allocated from SunEdison for general corporate overhead costs attributable to the operations of the Predecessor. Subsequent to the completion of the IPO, general and administrative expenses - affiliate represent costs incurred by SunEdison for services provided to the Company pursuant to the MSA. Pursuant to the MSA, SunEdison agreed to provide or arrange for other service providers to provide management and administrative services including legal, accounting, tax, treasury, project finance, information technology, insurance, employee benefit costs, communications, human resources and procurement to the Company. As consideration for the services provided, the Company agreed to pay SunEdison a base management fee as follows: (i) 2.5% of the Company's cash available for distribution in 2015, 2016, and 2017 (not to exceed $4.0 million in 2015, $7.0 million in 2016 or $9.0 million in 2017), and (ii) an amount equal to SunEdison's or other service provider's actual cost in 2018 and thereafter. Subsequent to the SunEdison Bankruptcy, SunEdison continued to provide some management and administrative services to the Company, including employee compensation and benefit costs, human resources, information technology and communications, but stopped providing (or reimbursing the Company for) other services pursuant to the MSA. Costs for services that SunEdison stopped providing or reimbursing the Company for are now included within general and administrative expenses in the consolidated statement of operations.

General and administrative expenses - affiliate were $14.7 million, $55.3 million and $19.1 million for the years ended December 31, 2016, 2015 and 2014, respectively, as reported in the consolidated statements of operations. Pursuant to the MSA, cash consideration paid by the Company to SunEdison for these services for the year ended December 31, 2015 totaled $4.0 million, and general and administrative expenses - affiliate in excess of cash consideration paid was treated as an equity contribution from SunEdison within Net SunEdison investment on the consolidated statement of stockholders' equity. There was no cash consideration paid to SunEdison for these services for the period from July 24, 2014 through December 31, 2014 or for the year ended December 31, 2016. As discussed above, the Company was contractually obligated to pay SunEdison $7.0 million for these services for the year ended December 31, 2016. Since SunEdison stopped providing (or reimbursing the Company for) certain services covered under the MSA due to the SunEdison Bankruptcy, the Company was required to pay third party service providers directly for these services. As the total amount paid by the Company for these services exceeded the contractual amount due to SunEdison, the Company did not pay SunEdison the $7.0 million base management fee. Since this fee was not paid to SunEdison as of December 31, 2016, it was recorded within Due to SunEdison, net on the consolidated balance sheet and as a reduction to the net equity contribution from SunEdison. The general and administrative expenses - affiliate amount in excess of this accrued fee was treated as an equity contribution from SunEdison within Net SunEdison investment on the consolidated statement of stockholders' equity for the year ended December 31, 2016.

Subject to the satisfaction of the conditions described above under *Settlement with SunEdison*, the MSA will be rejected as part of the Settlement Agreement entered into with SunEdison, and the Company will be deemed to have no liability, damages or claims arising out of the rejection of the MSA. In connection with the consummation of the transactions contemplated by the Merger Agreement discussed in *Note 1. Nature of Operations and Basis of Presentation*, including satisfaction of applicable conditions, the Company will enter into a master services agreement with Brookfield and certain affiliates of Brookfield (collectively, the "MSA Providers") pursuant to which the MSA Providers will provide certain services to the Company commencing at the effective time of the Merger. As consideration for the services provided or arranged for by Brookfield and certain of its affiliates pursuant to the master services agreement, the Company will pay a base management fee on a quarterly basis that will be paid in arrears and calculated as follows:

- for each of the first four quarters following the closing date of the Merger, a fixed component of $2.5 million per quarter (subject to proration for the quarter including the closing date of the Merger) plus 0.3125% of the market capitalization value increase for such quarter;
- for each of the next four quarters, a fixed component of $3.0 million per quarter plus 0.3125% of the market capitalization value increase for such quarter; and
- thereafter, a fixed component of $3.75 million per quarter plus 0.3125% of the market capitalization value increase for such quarter.

For purposes of calculating the quarterly payment of the base management fee, the term market capitalization value increase means, for any quarter, the increase in value of the Company’s market capitalization for such quarter, calculated by multiplying the number of outstanding shares of Class A common stock as of the last trading day of such quarter by the difference between (x) the volume-weighted average trading price of a share of Class A common stock for the trading days in such quarter and (y) $9.52. If the difference between (x) and (y) in the market capitalization value increase calculation for a quarter is a negative number, then the market capitalization value increase is deemed to be zero.

O&M and Asset Management Services

O&M services, as well as asset management services, have historically been provided to the Company substantially by SunEdison pursuant to contractual agreements. The Company is in the process of transitioning away from SunEdison for these services, and these contracts are expected to be terminated or rejected no later than upon the effectiveness of the Settlement Agreement with SunEdison subject to the conditions described above under *Settlement with SunEdison*. As described below, the Company has entered into certain transition services agreements with SunEdison with respect to these services to facilitate this transition. Costs incurred for these services from SunEdison were $26.7 million, $19.9 million and $8.1 million during the years ended December 31, 2016, 2015 and 2014, respectively, and are reported as cost of operations - affiliate in the consolidated statements of operations. In addition, in conjunction with the First Wind Acquisition, SunEdison committed to reimburse the Company for capital expenditures and operations and maintenance labor fees in excess of budgeted amounts (not to exceed $53.9 million through 2019) for certain of its wind power plants. During the year ended December 31, 2015, the Company received contributions pursuant to this agreement of $4.3 million. The total amount related to capital expenditures of $50.0 million was initially recognized in renewable energy facilities as a prepaid warranty as the amount was part of the consideration paid on the acquisition date. As a result of the SunEdison Bankruptcy, the Company recorded a loss of $45.4 million during the year ended December 31, 2015 related to the write-off of the remaining balance of the prepaid warranty, which was net of depreciation expense of $1.9 million and capital expenditure reimbursements received of $2.7 million, and is reported as loss on prepaid warranty - affiliate in the consolidated statement of operations. As a result of the SunEdison Bankruptcy, no contributions were received during 2016.

Transition Services Agreements

In the first half of 2017, the Company entered into certain transition services agreements with SunEdison with respect to project-level operations and maintenance and asset management services provided by SunEdison. These transition services agreements allow the Company, among other things, to hire employees of SunEdison that are currently performing these project-level services for the Company. These transition services agreements also allow the Company to terminate project-level asset management and operations and maintenance services on 10 days advance notice. Under these agreements, the Company agreed to indemnify SunEdison for certain losses and liabilities to the extent SunEdison failed to perform services under existing services contracts as a result of the transition of SunEdison employees to the Company. SunEdison will also continue to provide certain project related services for a transitional period. The Company is also in the process of negotiating a corporate-level transition services agreement with SunEdison. The Company expects that under this agreement, SunEdison would agree to continue to provide certain corporate-level services, including tax and information technology support services through the end of the third quarter of 2017. At this time, the Company cannot give firm assurances that it will enter into any such corporate-level transition services agreement with SunEdison.

Engineering, Procurement and Construction Contracts and Module Warranties

SunEdison served as the prime construction contractor for most of the Company's renewable energy facilities acquired from SunEdison pursuant to engineering, procurement and construction contracts with the Company's project-level subsidiaries. These contracts are generally fixed price, turn-key construction contracts that include workmanship and other warranties with respect to the design and construction of the facilities that survive for a period of time after the completion of construction. These contracts or related contracts (including O&M agreements) also often include production or availability guarantees with respect to the output or availability of the facility that survive completion of construction. Moreover, the Company also generally obtained solar module warranties from SunEdison, including workmanship warranties and output guarantees, for those solar facilities that the Company acquired from SunEdison that utilized SunEdison modules. These construction contracts and warranties would be rejected upon the effectiveness of the Settlement Agreement with SunEdison subject to the conditions described above under *Settlement with SunEdison*. Third party insurance has been procured by SunEdison to back-stop payment of warranty claims for SunEdison modules purchased from January of 2011 through January of 2017.

Interest Payment Agreement

Immediately prior to the completion of the IPO on July 23, 2014, Terra LLC and Terra Operating LLC entered into an interest payment agreement (the "Interest Payment Agreement") with SunEdison, pursuant to which SunEdison would pay all of the scheduled interest on the Term Loan through the third anniversary of Terra LLC and Terra Operating LLC entering into the Term Loan, up to an aggregate of $48.0 million over such period (plus any interest due on any payment not remitted when due). Interest expense incurred under the Term Loan is reflected in the consolidated statement of operations and the reimbursement for such costs is treated as an equity contribution from SunEdison, as reflected within Net SunEdison investment on the consolidated statement of stockholders' equity for the respective periods. The Company received an equity contribution of $4.0 million from SunEdison pursuant to the Interest Payment Agreement for the year ended December 31, 2015. During the period from July 24, 2014 to December 31, 2014, the Company received equity contributions totaling $5.4 million pursuant to the

Interest Payment Agreement. No amounts were received during 2016 as the remaining outstanding principal balance of the Term Loan was fully repaid on January 28, 2015.

On January 28, 2015, Terra LLC and Terra Operating LLC entered into the Amended and Restated Interest Payment Agreement (the “Amended Interest Payment Agreement”) with SunEdison. Pursuant to the Amended Interest Payment Agreement, SunEdison agreed to pay amounts equal to a portion of each scheduled interest payment of the Senior Notes due 2023, beginning with the first scheduled interest payment on August 1, 2015, and continuing through the scheduled interest payment on August 1, 2017. Amounts were to be paid by SunEdison as follows: (1) in respect of the first scheduled interest payment, $16.0 million, less amounts already paid by SunEdison under the Interest Payment Agreement, (2) in respect of each scheduled interest payment in 2016, $8.0 million, and (3) in respect of each scheduled interest payment in 2017, $8.0 million, provided that the maximum amount payable by SunEdison under the Amended Interest Payment Agreement (inclusive of amounts already paid under the Interest Payment Agreement) would not exceed $48.0 million (plus any interest due on any payment not remitted when due). SunEdison is not obligated to pay any amounts payable under the Senior Notes due 2023 in connection with an acceleration of the indebtedness thereunder. The Company received equity contributions totaling $8.0 million and $6.6 million from SunEdison pursuant to the Amended Interest Payment Agreement during the years ended December 31, 2016 and 2015, respectively. The 2016 contribution was received in the first quarter of 2016 and accrued for during fiscal 2015. As of the first quarter of 2016, the Company had received a cumulative amount of $24.0 million under the Interest Payment Agreement and Amended Interest Payment Agreement from SunEdison with $24.0 million of scheduled payments due in future periods. The Company has not received any payments from SunEdison pursuant to the Amended Interest Payment Agreement since the first quarter of 2016.

On July 29, 2016, SunEdison delivered a notice purporting to terminate the Amended Interest Payment Agreement. The notice alleged that SunEdison's bankruptcy permits termination as of right without following the bankruptcy procedures for rejection of executory contracts. Subject to the satisfaction of the conditions described above under S*ettlement with SunEdison*, the Amended Interest Payment Agreement will be rejected as part of the Settlement Agreement entered into with SunEdison without further liability, claims or damages on the part of the Company.

Support Agreement and Intercompany Agreement

The Company entered into a project support agreement with SunEdison (the "Support Agreement") on July 23, 2014, which provided the Company the option to purchase additional renewable energy facilities from SunEdison. The Support Agreement also provided the Company a right of first offer with respect to certain other renewable energy facilities. During the years ended December 31, 2016, 2015 and 2014, the Company acquired renewable energy facilities with a combined nameplate capacity of 19.2 MW, 350.9 MW and 75.7 MW respectively, from SunEdison under the Support Agreement (see *Note 3. Transactions Between Entities Under Common Control*).

In connection with the First Wind Acquisition, the Company and SunEdison entered into an agreement (the "Intercompany Agreement") pursuant to which the Company was granted the option to purchase additional renewable energy facilities in the First Wind pipeline from SunEdison. During the year ended December 31, 2015, the Company acquired renewable energy facilities with a combined nameplate capacity of 222.6 MW from SunEdison under the Intercompany Agreement (see *Note 3. Transactions Between Entities Under Common Control*). The Company did not acquire any renewable energy facilities from SunEdison under the Intercompany Agreement during the year ended December 31, 2016.

Subject to the satisfaction of the conditions described above under *Settlement with SunEdison*, the Support Agreement and Intercompany Agreement will be rejected as part of the Settlement Agreement entered into with SunEdison without further liability, claims or damages on the part of the Company. Upon consummation of the transactions contemplated by the Merger Agreement as discussed in *Note 1. Nature of Operations and Basis of Presentation*, the Company will enter into the "Relationship Agreement" with Brookfield pursuant to which Brookfield will provide the Company with a right of first offer on certain operating wind and solar assets that are owned by Brookfield and certain of its affiliates and are located in North America and certain other Western European nations.

The Company believes it continues to maintain a call right over 0.5 GW (net) of operating wind power plants that are owned by a warehouse vehicle that was owned and arranged by SunEdison (the "AP Warehouse"). The Company believes SunEdison has sold or is in the process of selling its equity interest in the AP Warehouse to an unaffiliated third party, and the Company is currently evaluating its alternatives with regard to these assets.

Insurance Allocation Agreement

The Company, TerraForm Global, Inc., SunEdison and certain of their respective directors and officers shared $150.0 million of directors' and officers' liability insurance policies that covered the period from July 15, 2015 to July 14, 2016 (the "D&O Insurance"). SunEdison and the independent directors of SunEdison (the "SUNE D&O Parties") entered into an agreement, dated March 27, 2017 and amended on June 7, 2017, with the Company, TerraForm Global, Inc., their respective current directors and certain of their respective current officers (the "YieldCo D&O Parties") related to the D&O Insurance. Among other things, this agreement provides that: (i) the YieldCo D&O Parties consent to a $32.0 million payment to SunEdison from the D&O Insurance in connection with the settlement of claims proposed to be brought by the unsecured creditors' committee in the SunEdison Bankruptcy under a motion in the SunEdison Bankruptcy case for derivative standing; (ii) for a specified period of time, the SUNE D&O Parties and the YieldCo D&O Parties agree to cooperate in trying to reach settlements of certain lawsuits pending against the YieldCo D&O Parties arising from a variety of alleged prepetition actions and transactions, including, but not limited to, the initial public offering of TerraForm Global, Inc. and other securities transactions, and SunEdison agrees to consent to such proposed settlements to be funded by up to $32.0 million from the D&O Insurance; and (iii) for a specified period of time, SunEdison, its independent directors, the Company and TerraForm Global, Inc. will not assert certain payment priority provisions of the D&O Insurance. The agreement was approved by the Bankruptcy Court on June 28, 2017.

In addition to the insurance allocation agreement, from time to time, the Company agreed to orders or stipulations with SunEdison and TerraForm Global, Inc. in connection with the SunEdison Bankruptcy related to, among other things, insurance proceeds, interim operating protocols, bankruptcy filing protocols and other matters.

Fleet Availability Guarantee Agreement

Immediately prior to the completion of the IPO on July 23, 2014, Terra LLC entered into the Fleet Availability Guarantee Agreement (the "Availability Agreement") with SunEdison. The Availability Agreement required SunEdison to pay a fee to the Company when the availability of the Company's solar generation facilities serviced by SunEdison was less than 99% for a calendar year. The fee was calculated based on 2% of the O&M service fee for each 0.25% increment below 99% availability. For the year ended December 31, 2015, SunEdison paid the Company a fee of $1.0 million under the terms of the Availability Agreement. The Availability Agreement expired on December 31, 2015.

Guaranty to SunEdison

On May 19, 2015, the Company provided a guaranty in connection with SunEdison's agreement to acquire from the LAP Shareholders, a 19.0 MW hydroelectricity facility and a 185.0 MW wind power plant in Chile for $195.0 million. In October 2015, SunEdison received a notice from the sellers purporting to terminate the purchase agreement. Following receipt of such notice, SunEdison exercised its right under the purchase agreement to terminate the agreement based on the failure by the sellers to satisfy certain conditions precedent to closing. In connection with this transaction, the Company and the LAP shareholders entered into the LAP Settlement Agreement as disclosed in *Settlement Agreement with Latin America Power Holding* in *Note 19. Commitments and Contingencies*, which resulted in a release of all claims by the LAP shareholders under the guaranty.

Due to SunEdison, net

All amounts incurred by the Company and not paid as of the balance sheet date for renewable energy facilities acquired from SunEdison or for asset management and O&M services received from SunEdison are reported as a payable to SunEdison. Additionally, prior to the SunEdison Bankruptcy, certain of the Company's expenses were reimbursed by SunEdison pursuant to the MSA, and any of these expenses that were paid for by the Company and not reimbursed by SunEdison as of the balance sheet date were reported as a receivable from SunEdison. As of December 31, 2016 and 2015, the Company had a net payable to SunEdison of $16.7 million and $26.6 million, respectively, which is reported as Due to SunEdison, net in the consolidated balance sheets. As a result of the SunEdison Bankruptcy, the Company recognized an $11.3 million loss on investment within loss on investments and receivables - affiliate in the consolidated statement of operations for the year ended December 31, 2015 as a result of residential project cancellations. Further, the Company recognized an additional $3.3 million and $4.8 million loss within loss on investments and receivables - affiliate for the years ended December 31, 2016 and 2015, respectively, related to recording a bad debt reserve for outstanding receivables from the SunEdison Debtors.

Net SunEdison Investment

During the years ended December 31, 2016, 2015 and 2014, SunEdison made net contributions to Terra LLC pursuant to the related party agreements discussed above and in connection with drop down acquisitions. The following table illustrates the detail of Net SunEdison investment for the years ended December 31, 2016, 2015 and 2014 as reported on the consolidated statements of stockholders' equity:

	Year ended December 31,		
(in thousands)	**2016**	**2015**	**2014**
MSA - General and administrative expenses - affiliate[1]	$ 7,666	$ 51,330	$ 19,144
MSA - Failed deal costs [2]	—	6,069	—
Interest Payment Agreement and Amended Interest Payment Agreement[3]	—	18,597	5,400
First Wind capital expenditures and O&M labor fees[4]	—	4,303	—
TerraForm Power, Inc. equity awards distributed to SunEdison[5]	(3,369)	(10,509)	—
Deemed contribution related to acquisitions from SunEdison[6]	19,517	41,773	1,498
Lindsay debt repayment[7]	—	40,306	—
Contribution in exchange for Class B common stock and Class B units at IPO[8]	—	—	398,902
Other	1,586	1,532	—
Net SunEdison investment	$ 25,400	$ 153,401	$ 424,944

(1) Represents total general and administrative expenses - affiliate in excess of cash paid or payable to SunEdison pursuant to the MSA agreement ($7.0 million was recorded within Due to SunEdison, net on the consolidated balance sheet as of December 31, 2016 with no cash paid to SunEdison in 2016, $4.0 million was paid during 2015 and no cash payments were made during 2014).

(2) Represents acquisition costs related to failed deals that were paid by SunEdison. Such costs were reimbursable by SunEdison under the MSA.

(3) Represents contributions received pursuant to the Interest Payment Agreement and the Amended Interest Payment Agreement. $8.0 million of the amount for the year ended December 31, 2015 was not received in cash from SunEdison until February 3, 2016 and a receivable from SunEdison was recorded within Due to SunEdison, net as of December 31, 2015. As a result of the SunEdison Bankruptcy, the Company has not received any contributions from SunEdison pursuant to the Amended Interest Payment Agreement since the first quarter of 2016.

(4) Represents contributions received for capital expenditures and O&M labor fees in excess of budgeted amounts for certain of the Company's wind power plants, which SunEdison committed to reimburse the Company for in conjunction with the First Wind Acquisition. As a result of the SunEdison Bankruptcy, the Company did not receive any contributions during 2016.

(5) Represents stock-based compensation cost related to equity awards in the Company's stock which has been allocated to SunEdison, Inc. and TerraForm Global, Inc.

(6) Represents the difference between the cash purchase price and historical cost of the net assets acquired from SunEdison for projects that achieved final funding during the respective year.

(7) SunEdison repaid the remaining outstanding principal balance and interest due on the SunE Perpetual Lindsay construction term loan on the Company's behalf as required pursuant to the terms of a project investment agreement entered into prior to the IPO of the Company.

(8) Represents SunEdison's net contribution at IPO in exchange for Class B common stock of the Company and Class B units of Terra LLC.

Distributions to SunEdison

During the year ended December 31, 2015, Terra LLC paid distributions of $58.3 million to its Class B unit holder, SunEdison. No distributions were paid to SunEdison during the years ended December 31, 2016 and 2014.

Incentive Distribution Rights

Immediately prior to the completion of the IPO on July 23, 2014, Terra LLC entered into the Amended and Restated Operating Agreement of Terra LLC which granted SunEdison 100% of the IDRs of Terra LLC. IDRs represent the right to receive increasing percentages (15.0%, 25.0% and 50.0%) of Terra LLC’s quarterly distributions after the Class A Units, Class B units and Class B1 units of Terra LLC have received quarterly distributions in an amount equal to $0.2257 per unit (the "Minimum Quarterly Distribution") and the target distribution levels have been achieved. As of December 31, 2016 and 2015, SunEdison held 100% of the IDRs. SunEdison has pledged the IDRs as collateral under its DIP financing and its first and second lien credit facilities and second lien secured notes. As of December 31, 2016 and 2015, there were no Class B1 units of

Terra LLC outstanding. There were no payments for IDRs made by the Company during the years ended December 31, 2016, 2015 and 2014.

As discussed in *Note 1. Nature of Operations and Basis of Presentation*, SunEdison agreed to deliver the outstanding IDRs held by SunEdison or certain of its affiliates to TerraForm Power or its designee and in connection therewith, concurrently with the execution and delivery of the Merger Agreement, TerraForm Power, Terra LLC, Brookfield IDR Holder and SunEdison and certain of its affiliates have entered into the IDR Transfer Agreement which provides that, subject to satisfaction of the conditions in the Merger Agreement, SunEdison affiliates will transfer all of the IDRs to an affiliate of Brookfield at the effective time of the Merger on the terms and conditions set forth in the IDR Transfer Agreement. At the closing of the Merger, the limited liability company agreement of Terra LLC will be amended and restated to, among other things, reset the IDR thresholds of Terra LLC to establish a first distribution threshold of $0.93 per share of Class A common stock and a second distribution threshold of $1.05 per share of Class A common stock. As a result of this amendment and restatement, amounts distributed from Terra LLC would be distributed on a quarterly basis as follows:

- first, to the Company in an amount equal to the Company's outlays and expenses for such quarter;
- second, to holders of Class A units, until an amount has been distributed to such holders of Class A units that would result, after taking account of all taxes payable by the Company in respect of the taxable income attributable to such distribution, in a distribution to holders of shares of Class A common stock of $0.93 per share (subject to adjustment for distributions, combinations or subdivisions of shares of Class A common stock) if such amount were distributed to all holders of shares of Class A common stock;
- third, 15% to the holders of the IDRs and 85% to the holders of Class A units until a further amount has been distributed to holders of Class A units in such quarter that would result, after taking account of all taxes payable by the Company in respect of the taxable income attributable to such distribution, in a distribution to holders of shares of Class A common stock of an additional $0.12 per share (subject to adjustment for distributions, combinations or subdivisions of shares of Class A common stock) if such amount were distributed to all holders of shares of Class A common stock; and
- thereafter, 75% to holders of Class A units and 25% to holders of the IDRs.

Commitments to Acquire Renewable Energy Facilities from SunEdison

As of December 31, 2015, the Company had open commitments of $240.9 million in the aggregate to acquire renewable energy facilities with a combined nameplate capacity of 195.5 MW from SunEdison. Over the course of 2016, the Company has focused on acquiring, terminating or resolving its commitments to acquire renewable energy facilities from SunEdison in order to align its future commitments with current market conditions. During the year ended December 31, 2016, all outstanding commitments that existed as of December 31, 2015 expired or were extinguished through termination or project acquisitions, except as described below with respect to the Invenergy Wind Option Agreements. The reduction in the Company's commitment amount during 2016 is detailed in the table below:

Description	Facility Category	Facility Type	Location	MW	Cash Committed (in thousands)
As of December 31, 2015[1]				195.5	$ 240,896
Acquired[2]	Distributed Generation	Solar	U.S.	(1.2)	(3,085)
Acquired[3]	Utility	Solar	U.S.	(18.0)	(36,591)
Terminated	Utility	Solar	U.S.	(159.8)	(168,396)
Terminated	Residential	Solar	U.S.	—	(3,808)
Expired	Distributed Generation	Solar	U.S.	(16.5)	(29,016)
As of December 31, 2016				—	$ —

(1) Excludes the estimated commitment of $814.8 million to acquire 479.3 MW of residential solar generation facilities that were expected to be acquired from SunEdison upon SunEdison's merger with Vivint Solar Inc. due to the merger being terminated on March 7, 2016. As a result of the termination of the merger, the Company's obligation to purchase these assets was also terminated. Also excludes the cash of $16.9 million due to SunEdison for the second installment of purchase prices for renewable energy facilities that were acquired from SunEdison during the year ended December 31, 2015, which was paid to SunEdison during the first quarter of 2016.

(2) The preliminary purchase prices for these distributed generation facilities were reduced from $3.1 million to $2.8 million pursuant to the terms of the relevant agreements.
(3) The preliminary purchase price for this utility scale solar facility was reduced from $36.6 million to $36.2 million pursuant to the terms of the relevant agreements.

In connection with the Invenergy Wind Acquisition as discussed in *Note 5. Acquisitions*, Sun Edison LLC, a wholly owned subsidiary of SunEdison, acting as intermediary, entered into certain option arrangements with Invenergy Wind for its remaining 9.9% interest in the acquired companies. Simultaneously, Terra LLC entered into a back to back option agreement with Sun Edison LLC on substantially identical terms. The Option Agreements effectively permit (i) Terra LLC to exercise a call option to purchase the Invenergy Wind Interest over a 180-day period beginning on September 30, 2019, and (ii) Invenergy Wind to exercise a put option with respect to the Invenergy Wind Interest over a 180-day period beginning on September 30, 2018. The exercise prices of the put and call options described above would be based on the determination of the fair market value of the Invenergy Wind Interest at the time the relevant option is exercised, subject to certain minimum and maximum thresholds set forth in the Option Agreements. As part of the Settlement Agreement (which was approved by the Bankruptcy Court), with certain limited exceptions, all agreements, including the Option Agreement between Terra LLC and Sun Edison LLC, will be rejected as of the effectiveness of the settlement, which will occur upon the consummation of the Merger, subject to satisfaction of conditions precedent, or an alternative transaction that is jointly supported by the Company and SunEdison or a Stand-Alone Conversion. If the Option Agreement is rejected under the Settlement Agreement, the Company would not expect to be obligated to perform on its Option Agreement.

Incentive Revenue

Certain solar renewable energy certificates ("SRECs") are sold to SunEdison under contractual arrangements at fixed prices. Revenue from the sale of SRECs to affiliates was $0.2 million, $0.2 million and $1.1 million during the years ended December 31, 2016, 2015 and 2014, respectively, and is reported within operating revenues, net in the consolidated statements of operations.

21. SEGMENT REPORTING

The Company has two reportable segments: Solar and Wind. These segments comprise the Company's entire portfolio of renewable energy facility assets and are determined based on the management approach. This approach designates the internal reporting used by management for making decisions and assessing performance as the source of the reportable segments. The Company’s operating segments consist of Distributed Generation, North America Utility and International Utility that are aggregated into the Solar reportable segment and Northeast Wind, Central Wind and Hawaii Wind that are aggregated into the Wind reportable segment. The operating segments have been aggregated as they have similar economic characteristics and meet all of the aggregation criteria. Corporate expenses include general and administrative expenses, acquisition costs, formation and offering related fees and expenses, interest expense on corporate-level indebtedness, stock-based compensation and depreciation, accretion and amortization expense. All net operating revenues for the years ended December 31, 2016, 2015 and 2014 were earned by the Company's reportable segments from external customers in the United States (including Puerto Rico), Canada, the United Kingdom and Chile.

The following table reflects summarized financial information concerning the Company’s reportable segments for the years ended December 31, 2016, 2015 and 2014:

(In thousands)	Year Ended December 31, 2016			
	Solar	Wind	Corporate	Total
Operating revenues, net	$ 377,488	$ 277,068	$ —	$ 654,556
Depreciation, accretion and amortization expense	115,050	126,735	1,580	243,365
Other operating costs and expenses	140,459	91,613	90,142	322,214
Interest expense, net	97,123	85,744	127,469	310,336
Other non-operating (income) expenses, net	(1,017)	1,126	19,545	19,654
Income tax expense[1]	—	—	494	494
Net income (loss)	$ 25,873	$ (28,150)	$ (239,230)	$ (241,507)
Cash Flows				
Capital expenditures	$ 32,132	$ 12,177	$ 1,560	$ 45,869
Balance Sheet				
Total assets[2]	3,595,387	3,609,471	501,007	7,705,865

(In thousands)	Year Ended December 31, 2015			
	Solar	Wind	Corporate	Total
Operating revenues, net	$ 346,033	$ 123,473	$ —	$ 469,506
Depreciation, accretion and amortization expense	117,727	43,392	191	161,310
Other operating costs and expenses	65,515	89,831	147,336	302,682
Interest expense, net	71,351	6,991	89,463	167,805
Other non-operating expenses, net	13,986	6,682	38,417	59,085
Income tax benefit[1]	—	—	(13,241)	(13,241)
Net income (loss)	$ 77,454	$ (23,423)	$ (262,166)	$ (208,135)
Cash Flows				
Capital expenditures	$ 462,719	$ 181,594	$ 3,248	$ 647,561
Balance Sheet				
Total assets[2]	3,923,186	3,765,486	528,737	8,217,409

(In thousands)	Year Ended December 31, 2014			
	Solar	Wind	Corporate	Total
Operating revenues, net	$ 127,156	$ —	$ —	$ 127,156
Depreciation, accretion and amortization expense	41,280	—	—	41,280
Other operating costs and expenses	33,322	—	46,165	79,487
Interest expense, net	56,019	—	30,172	86,191
Other non-operating (income) expenses, net	(6,209)	—	13,019	6,810
Income tax benefit[1]	—	—	(4,689)	(4,689)
Net income (loss)	$ 2,744	$ —	$ (84,667)	$ (81,923)
Cash Flows				
Capital expenditures	$1,122,293	$ —	$ —	$ 1,122,293

(1) Income tax expense (benefit) is not allocated to the Company's Solar and Wind segments.
(2) As of December 31, 2016 and 2015, respectively.

Operating Revenues, net

The following table reflects operating revenues, net for the years ended December 31, 2016, 2015 and 2014 by specific customers exceeding 10% of total operating revenue:

		Year Ended December 31,					
		2016		2015		2014	
(In thousands, except for percentages)	**Segment**	**Amount**	**Percentage**	**Amount**	**Percentage**	**Amount**	**Percentage**
Tennessee Valley Authority	Wind	$ 73,068	11.2%	N/A	N/A	N/A	N/A
San Diego Gas & Electric	Solar	65,709	10.0%	$ 67,562	14.4%	$ 39,574	31.1%
Compañía Minera del Pacífico S.A.	Solar	N/A	N/A	N/A	N/A	23,130	18.2%

N/A - These customers did not exceed 10% of total operating revenue for the period indicated above.

The following table reflects operating revenues, net for the years ended December 31, 2016, 2015 and 2014 by geographic location:

	Year Ended December 31,		
(In thousands)	**2016**	**2015**	**2014**
United States (including Puerto Rico)	$ 528,513	$ 368,117	$ 87,502
Chile	28,065	27,148	23,130
United Kingdom	51,600	55,542	15,890
Canada	46,378	18,699	634
Total operating revenues, net	$ 654,556	$ 469,506	$ 127,156

Long-lived Assets, Net

Long-lived assets, net consist of renewable energy facilities and intangible assets as of December 31, 2016. As of December 31, 2015, this amount also included goodwill, which was determined to be impaired during 2016 and fully written off. The following table is a summary of long-lived assets, net by geographic area:

(In thousands)	**December 31, 2016**	**December 31, 2015**
United States (including Puerto Rico)	$ 5,524,136	$ 5,876,846
Chile	175,204	181,756
United Kingdom	16,045	659,176
Canada	419,978	418,494
Total long-lived assets, net	6,135,363	7,136,272
Current assets	893,016	936,761
Other non-current assets[1]	677,486	144,376
Total assets	$ 7,705,865	$ 8,217,409

(1) As of December 31, 2016, includes $532.7 million and $19.5 million of non-current assets held for sale located in the United Kingdom and United States, respectively.

22. OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents the changes in each component of accumulated other comprehensive (loss) income, net of tax, for the years ended December 31, 2016, 2015 and 2014:

(In thousands)	Foreign Currency Translation Adjustments	Hedging Activities	Accumulated Other Comprehensive (Loss) Income
Balance as of December 31, 2013	$ —	$ —	$ —
Net unrealized loss arising during the period	(3,541)	(1,925)	(5,466)
Reclassification of net realized loss into earnings:			
Interest expense, net	—	—	—
Other comprehensive loss	(3,541)	(1,925)	(5,466)
Accumulated other comprehensive loss	(3,541)	(1,925)	(5,466)
Less: Other comprehensive loss attributable to non-controlling interests	(2,392)	(1,437)	(3,829)
Balance as of December 31, 2014	$ (1,149)	$ (488)	$ (1,637)
Net unrealized (loss) gain arising during the period	(18,446)	26,913	8,467
Reclassification of net realized loss into earnings:			
Interest expense, net	—	4,663	4,663
Other comprehensive (loss) income	(18,446)	31,576	13,130
Accumulated other comprehensive (loss) income	(19,595)	31,088	11,493
Less: Other comprehensive loss attributable to non-controlling interests	(7,862)	(3,545)	(11,407)
Balance as of December 31, 2015	$ (11,733)	$ 34,633	$ 22,900
Net unrealized loss arising during the period	(15,039)	(86)	(15,125)
Reclassification of net realized loss (gain) into earnings:			
Interest expense, net[1]	—	28,539	28,539
Operating revenues, net	—	(12,572)	(12,572)
Other comprehensive (loss) income	(15,039)	15,881	842
Accumulated other comprehensive (loss) income	(26,772)	50,514	23,742
Less: Other comprehensive (loss) income attributable to non-controlling interests	(4,639)	5,469	830
Balance as of December 31, 2016	$ (22,133)	$ 45,045	$ 22,912

(1) Includes $16.9 million loss reclassification that occurred subsequent to the Company's discontinuation of hedge accounting for interest rate swaps within the U.K. Portfolio as discussed in *Note 13. Derivatives*.

The following tables present each component of other comprehensive income (loss) and the related tax effects for the years ended December 31, 2016, 2015 and 2014:

	Year Ended December 31,								
	2016			2015			2014		
(In thousands)	Before Tax	Tax Effect	Net of Tax	Before Tax	Tax Effect	Net of Tax	Before Tax	Tax Effect	Net of Tax
Foreign currency translation adjustments:									
Net unrealized loss arising during the period	$(15,039)	$ —	$(15,039)	$(18,446)	$ —	$(18,446)	$(3,541)	$ —	$(3,541)
Hedging activities:									
Net unrealized gain (loss) arising during the period	320	(406)	(86)	41,540	(14,627)	26,913	(1,925)	—	(1,925)
Reclassification of net realized loss into earnings[1]	15,967	—	15,967	4,663	—	4,663	—	—	—
Net change	16,287	(406)	15,881	46,203	(14,627)	31,576	(1,925)	—	(1,925)
Other comprehensive income (loss)	$ 1,248	$ (406)	842	$ 27,757	$(14,627)	13,130	$(5,466)	$ —	(5,466)
Less: Other comprehensive income (loss) attributable to non-controlling interests, net of tax			830			(11,407)			(3,829)
Less: Pre-acquisition other comprehensive income of renewable energy facilities acquired from SunEdison			—			40,016			—
Other comprehensive income (loss) attributable to Class A common stockholders			$ 12			$(15,479)			$(1,637)

(1) Includes $16.9 million loss reclassification for the year ended December 31, 2016 that occurred subsequent to the Company's discontinuation of hedge accounting for interest rate swaps within the U.K. Portfolio as discussed in *Note 13. Derivatives*.

23. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Quarterly results of operations for the year ended December 31, 2016 were as follows:

(In thousands, except per share data)	Q1	Q2[(1)]	Q3[(2)]	Q4[(3)]
Operating revenues, net	$ 153,917	$ 187,301	$ 178,118	$ 135,220
Operating income (loss)	32,505	62,558	50,708	(56,794)
Interest expense, net	68,994	101,299	72,818	67,225
Net loss	(33,505)	(44,937)	(27,711)	(135,354)
Net loss attributable to Class A common stockholders	(481)	(20,907)	(26,171)	(82,288)
Weighted average Class A common shares outstanding - basic and diluted	87,833	90,809	90,860	91,658
Net loss per weighted average Class A common share - basic and diluted	$ (0.01)	$ (0.23)	$ (0.29)	$ (0.94)

(1) During the second quarter of 2016, the Company discontinued hedge accounting for interest rate swaps related to its U.K. Portfolio. This resulted in the reclassification of $16.9 million of losses from accumulated other comprehensive income into interest expense. Subsequent to the discontinuation of hedge accounting, the Company recognized additional unrealized losses of $13.7 million pertaining to these interest rate swaps during the second quarter that are also reported in interest expense.

(2) The third quarter of 2016 includes a $3.3 million impairment charge due to the decision to abandon certain residential construction in progress assets that were not completed by SunEdison as a result of the SunEdison Bankruptcy. This charge is reflected within impairment of renewable energy facilities in the consolidated statement of operations. The third quarter of 2016 also includes $3.2 million of special interest for the Senior Notes due 2023, Senior Notes due 2025 and Revolver per the terms of the fourth supplemental indenture to the 2023 Indenture, third supplemental indenture to the 2025 Indenture and eighth amendment to the Revolver credit and guaranty agreement, respectively, and $5.2 million of unrealized losses pertaining to interest rate swaps for the U.K. Portfolio.

(3) The fourth quarter of 2016 includes a $55.9 million goodwill impairment charge, a $15.7 million impairment charge within impairment of renewable energy facilities related to substantially all of the Company's portfolio of residential rooftop solar assets that were held for sale as of December 31, 2016, a $2.5 million loss on related party receivables and a $1.1 million loss on extinguishment of debt driven by a reduction of borrowing capacity for the Revolver and corresponding write-off of a portion of the unamortized deferred financing costs due to the Company entering into the consent agreement and ninth amendment to the terms of the Revolver and a waiver agreement with the requisite lenders pertaining to third quarter reporting deliverables and compliance. The fourth quarter of 2016 also includes $8.6 million of special interest for the Senior Notes due 2023, Senior Notes due 2025 and Revolver, which was offset by $11.6 million of unrealized gains pertaining to interest rate swaps for the U.K. Portfolio. In addition, as discussed in *Note 2. Summary of Significant Accounting Policies*, during the fourth quarter of 2016, the Company revised the accretion period for its asset retirement obligations from the term of the related PPA agreement to the remaining useful life of the corresponding renewable energy facility, which resulted in the Company recording a $4.4 million adjustment to reduce previously reported accretion and depreciation expense. The Company also recorded a $5.9 million adjustment in the fourth quarter of 2016 to reduce previously reported cost of operations related to property tax expenses.

Quarterly results of operations for the year ended December 31, 2015 were as follows:

(In thousands, except per share data)	Q1(1)	Q2(2)	Q3(3)	Q4(4)
Operating revenues, net	$ 70,515	$ 130,046	$ 163,291	$ 105,654
Operating (loss) income	(11,963)	39,681	64,135	(86,339)
Interest expense, net	36,855	35,961	48,786	46,203
Net (loss) income	(83,660)	29,134	2,418	(156,027)
Net (loss) income attributable to Class A common stockholders	(28,116)	6,800	(820)	(57,750)
Weighted average Class A common shares outstanding - basic and diluted	49,694	57,961	77,522	77,982
Net (loss) earnings per weighted average Class A common share - basic and diluted	$ (0.57)	$ 0.10	$ (0.03)	$ (0.75)

(1) The first quarter of 2015 includes a $20.0 million loss on the extinguishment of debt due primarily to the early termination of the Term Loan and its related interest rate swap, the exchange of the previous revolver to the Revolver and prepayment of premium paid in conjunction with the payoff of First Wind indebtedness at the acquisition date.

(2) The second quarter of 2015 includes an $11.4 million gain on the extinguishment of debt related to termination of certain financing lease obligations upon acquisition of the Duke Energy operating facility.

(3) The third quarter of 2015 includes $9.9 million of amortization of bridge commitment fees recorded within interest expense related to financing our pending acquisitions of Invenergy Wind and the Vivint Operating Assets.

(4) The fourth quarter of 2015 includes a $45.4 million loss related to the write-off of the remaining balance of a prepaid warranty from SunEdison, a $16.1 million loss on investments and related party receivables, a $10.0 million loss resulting from the LAP arbitration settlement, a $14.0 million loss related to the Eastern Maine Electric Cooperative litigation reserve and a $7.5 million loss on the extinguishment of debt as a result of the U.K. refinancing.

EXHIBIT INDEX

Exhibit Number	Description
2.1	Purchase and Sale Agreement, dated as of November 17, 2014, among SunEdison, Inc., TerraForm Power, LLC, TerraForm Power, Inc., First Wind Holdings, LLC, First Wind Capital, LLC, D. E. Shaw Composite Holdings, L.L.C., the company members party thereto and D. E. Shaw Composite Holdings, L.L.C. and Madison Dearborn Capital Partners IV, L.P., acting jointly, solely in their capacity as the representative of the sellers (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K filed on February 03, 2015).
2.2	First Amendment to the Purchase and Sale Agreement, dated as of January 28, 2015, among SunEdison, Inc., TerraForm Power, LLC and D. E. Shaw Composite Holdings, L.L.C. and Madison Dearborn Capital Partners IV, L.P., acting jointly, solely in their capacity as the representative of the sellers (incorporated by reference to Exhibit 2.2 to the Registrant’s Form 8-K filed on February 03, 2015).
2.3	Merger and Sponsorship Transaction Agreement, dated as of March 6, 2017, by and among TerraForm Power, Inc., Orion US Holdings 1 L.P. and BRE TERP Holdings Inc. (incorporated by reference to Exhibit 2.1 to the Registrants Form 8-K filed on March 7, 2017).**
3.1	Amended and Restated Certificate of Incorporation of TerraForm Power, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant’s Form 8-K filed on July 25, 2014).
3.2	Amended and Restated Bylaws of TerraForm Power, Inc. (incorporated by reference to Exhibit 3.2 to the Registrant’s Form 8-K filed on July 25, 2014).
4.1	Specimen Class A Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Registrant’s Registration Statement on Form S-1/A, File No. 333-196345, filed on July 16, 2014).
4.2	Amended and Restated Limited Liability Company Agreement of TerraForm Power, LLC (incorporated by reference to Exhibit 4.1 to the Registrant’s Form 8-K filed on July 25, 2014).
4.3	First Amendment to Amended and Restated Limited Liability Company Agreement of TerraForm Power, LLC, dated as of December 3, 2014 (incorporated by reference to Exhibit 4.3 to the Registrant’s Registration Statement on Form S-1, File No. 333-200829, filed on January 8, 2015).
4.4	Second Amendment to Amended and Restated Limited Liability Company Agreement of TerraForm Power, LLC, dated as of May 1, 2015 (incorporated by reference to Exhibit 4.1 to the Registrant’s Form 8-K filed on May 06, 2015).
4.5	Third Amendment to Amended and Restated Limited Liability Company Agreement of TerraForm Power, LLC, dated as of June 1, 2016 (incorporated by reference to Exhibit 10.2 to the Registrant’s Form 8-K filed on June 2, 2016).
4.6	Fourth Amendment to Amended and Restated Limited Liability Company Agreement of TerraForm Power, LLC, dated as of July 24, 2016 (incorporated by reference to Exhibit 10.1 to the Registrant’s Form 8-K filed on July 25, 2016).
4.7	Indenture, dated as of January 28, 2015, among TerraForm Power Operating, LLC, the guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.1 to the Registrant’s 8-K filed on February 03, 2015).
4.8	First Supplemental Indenture, dated as of June 11, 2015, among TerraForm Power Operating, LLC, the guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.2 to the Registrant’s Form 8-K filed on June 12, 2015).
4.9	Fourth Supplemental Indenture, dated as of August 29, 2016, among TerraForm Power Operating, LLC, the guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed on August 31, 2016).
4.10	Indenture, dated as of July 17, 2015, by and among TerraForm Power Operating, LLC, each of the Guarantors party hereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 10.2 to the Registrant’s Form 10-Q for the quarter ended September 30, 2015).
4.11	Third Supplemental Indenture, dated as of August 29, 2016, among TerraForm Power Operating, LLC, the guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.2 to the Registrant’s Current Report on Form 8-K filed on August 31, 2016).

10.1 Management Services Agreement, dated as of July 23, 2014, among TerraForm Power, Inc., TerraForm Power, LLC, TerraForm Power Operating, LLC, and SunEdison, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed July 25, 2014).

10.2 Repowering Services Right of First Refusal Agreement, dated as of July 23, 2014, among TerraForm Power, Inc., TerraForm Power, LLC, TerraForm Power Operating LLC, and SunEdison, Inc. (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed July 25, 2014).

10.3 Exchange Agreement, dated as of July 23, 2014, among TerraForm Power Inc., TerraForm Power, LLC, SunEdison, Inc. (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed July 25, 2014).

10.4 Class B1 Exchange Agreement, dated as of July 23, 2014, among TerraForm Power Inc., TerraForm Power, LLC, and R/C US Solar Investment Partnership, L.P. (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed July 25, 2014).

10.5 TerraForm Power Inc. Registration Rights Agreement, dated as of July 23, 2014, among TerraForm Power Inc. and SunEdison, Inc. (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed July 25, 2014).

10.6 TerraForm Power Inc. Registration Rights Agreement, dated as of July 23, 2014, among TerraForm Power Inc. and R/C US Solar Investment Partnership, L.P. (incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed July 25, 2014).

10.7 Mt. Signal Contribution Agreement, dated as of July 23, 2014, among TerraForm Power Inc., TerraForm Power, LLC, and Silver Ridge Power, LLC (incorporated by reference to Exhibit 10.7 to the Registrant's Current Report on Form 8-K filed July 25, 2014).

10.8 Project Support Agreement, dated as of July 23, 2014, between SunEdison, Inc. and TerraForm Power, LLC (incorporated by reference to Exhibit 10.8 to the Registrant's Current Report on Form 8-K filed July 25, 2014).

10.9 Agreement Regarding the Priced Call Right Assets, dated as of July 23, 2014, between SunEdison, Inc. and TerraForm Power, LLC (incorporated by reference to Exhibit 10.9 to the Registrant's Current Report on Form 8-K filed July 25, 2014).

10.10 Interest Payment Agreement, dated as of July 23, 2014, among TerraForm Power, LLC, TerraForm Power Operating, LLC, SunEdison, Inc., and SunEdison Holdings Corporation (incorporated by reference to Exhibit 10.10 to the Registrant's Current Report on Form 8-K filed July 25, 2014).

10.11 Purchase Agreement, dated as of July 20, 2015, by and between TerraForm Power, LLC and SunEdison, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 22, 2015).

10.12 Credit and Guaranty Agreement, dated as of January 28, 2015, among TerraForm Power Operating, LLC, as borrower, TerraForm Power, LLC, as a guarantor, certain subsidiaries of TerraForm Power Operating, LLC, as guarantors, the lenders party thereto from time to time, and Barclays Bank PLC, as administrative agent, collateral agent, joint lead arranger and joint bookrunner (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on February 03, 2015).

10.13 First Amendment to Credit and Guaranty Agreement, dated as of May 8, 2015, among TerraForm Power Operating, LLC, as borrower, TerraForm Power, LLC, as a guarantor, certain subsidiaries of Terraform Power Operating, LLC, as guarantors, the lenders party thereto from time to time, and Barclays Bank PLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed on May 10, 2016).

10.14 Second Amendment to Credit and Guaranty Agreement, dated as of August 11, 2015, among TerraForm Power Operating, LLC, as borrower, TerraForm Power, LLC, as a guarantor, certain subsidiaries of Terraform Power Operating, LLC, as guarantors, the lenders party thereto from time to time, and Barclays Bank PLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed on May 10, 2016).

10.15 Third Amendment to Credit and Guaranty Agreement, dated as of December 9, 2015, among TerraForm Power Operating, LLC, as borrower, TerraForm Power, LLC, as a guarantor, certain subsidiaries of Terraform Power Operating, LLC, as guarantors, the lenders party thereto from time to time, and Barclays Bank PLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on May 10, 2016).

10.16 Fourth Amendment to Credit and Guaranty Agreement, dated as of March 30, 2016, among TerraForm Power Operating, LLC, as borrower, TerraForm Power, LLC, as a guarantor, certain subsidiaries of Terraform Power Operating, LLC, as guarantors, the lenders party thereto from time to time, and Barclays Bank PLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on May 10, 2016).

10.17 Fifth Amendment to Credit and Guaranty Agreement, dated as of April 29, 2016, among TerraForm Power Operating, LLC, as borrower, TerraForm Power, LLC, as a guarantor, certain subsidiaries of Terraform Power Operating, LLC, as guarantors, the lenders party thereto from time to time, and Barclays Bank PLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on May 10, 2016).

10.18 Sixth Amendment to Credit and Guaranty Agreement, dated as of May 6, 2016, among TerraForm Power Operating, LLC, as borrower, TerraForm Power, LLC, as a guarantor, certain subsidiaries of Terraform Power Operating, LLC, as guarantors, the lenders party thereto from time to time, and Barclays Bank PLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 10, 2016).

10.19 Seventh Amendment to Credit and Guaranty Agreement, dated as of May 27, 2016, among TerraForm Power Operating, LLC, as borrower, TerraForm Power, LLC, as a guarantor, certain subsidiaries of Terraform Power Operating, LLC, as guarantors, the lenders party thereto from time to time, and Barclays Bank PLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report Form 8-K filed on June 2, 2016).

10.20 Eighth Amendment to Credit and Guaranty Agreement, dated as of September 9, 2016, among TerraForm Power Operating, LLC, as borrower, TerraForm Power, LLC, as a guarantor, certain subsidiaries of Terraform Power Operating, LLC, as guarantors, the lenders party thereto from time to time, and Barclays Bank PLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.20 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015).

10.21 Waiver Agreement, dated as of November 23, 2016, among TerraForm Power Operating, LLC, as borrower, TerraForm Power, LLC, as a guarantor, certain subsidiaries of Terraform Power Operating, LLC, as guarantors, the lenders party thereto from time to time, and Barclays Bank PLC, as administrative agent and collateral agent.

10.22 Tenth Amendment to Credit and Guaranty Agreement, dated April 5, 2017, among TerraForm Power Operating, LLC, as borrower, TerraForm Power, LLC, as a guarantor, certain subsidiaries of Terraform Power Operating, LLC, as guarantors, the lenders party thereto from time to time, and Barclays Bank PLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report Form 8-K filed on April 6, 2017).

10.23 Eleventh Amendment to Credit and Guaranty Agreement, dated April 26, 2017, among TerraForm Power Operating, LLC, as borrower, TerraForm Power, LLC, as a guarantor, certain subsidiaries of Terraform Power Operating, LLC, as guarantors, the lenders party thereto from time to time, and Barclays Bank PLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report Form 8-K filed on April 28, 2017).

10.24 Amended and Restated Interest Payment Agreement, dated as of January 28, 2015, by and among TerraForm Power, LLC, TerraForm Power Operating, LLC, SunEdison, Inc. and SunEdison Holdings Corporation (incorporated by reference to Exhibit 10.4 to the Registrant's Form 8-K filed on February 03, 2015).

10.25 TerraForm Power, Inc. Registration Rights Agreement, dated as of January 29, 2015, among TerraForm Power, Inc., SunEdison, Inc., the holders of the Registrable Securities party thereto and Wilmington Trust, National Association, as collateral agent (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed on February 03, 2015).

10.26 Joinder Agreement, dated as of May 1, 2015, by and among JPMorgan Chase Bank, N.A., Santander Bank, N.A., TerraForm Power Operating, LLC, TerraForm Power, LLC, Certain Subsidiaries of Borrower, Barclays Bank PLC, Bank of America, N.A., Citibank, N.A. and Keybank National Association (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on May 06, 2015).

10.27 Purchase and Sale Agreement, dated as of June 30, 2015, by and among Invenergy Wind Global LLC and TerraForm IWG Acquisition Holdings, LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q for the quarter ended June 30, 2015).

10.28 Amended and Restated Purchase and Sale Agreement, dated as of December 15, 2015, by and between Invenergy Wind Global LLC and TerraForm IWG Acquisition Holdings, LLC (incorporated by reference to Exhibit 10.1 to TerraForm Power's Form 8-K filed on December 21, 2015).

10.29 Amended and Restated Purchase and Sale Agreement, dated as of December 15, 2015, by and between Invenergy Wind Global LLC and TerraForm IWG Acquisition Holdings II, LLC (incorporated by reference to Exhibit 10.2 to TerraForm Power's Form 8-K filed on December 21, 2015).

10.30 Amended and Restated Purchase and Sale Agreement, dated as of December 15, 2015, by and between Invenergy Wind Global LLC and TerraForm IWG Acquisition Holdings III, LLC (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed on December 21, 2015).

10.31 Raleigh Asset Purchase and Sale Agreement, dated as of June 30, 2015, by and between Invenergy Wind Canada Green Holdings ULC, TerraForm IWG Ontario Holdings LLC, Invenergy Wind Global LLC, Marubeni Corporation and Caisse de Dépôt et Placement du Québec (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q for the quarter ended June 30, 2015).

10.32 First Amending Agreement, dated as of December 15, 2015, by and between Invenergy Wind Canada Green Holdings ULC and TerraForm IWG Ontario Holdings, LLC (incorporated by reference to Exhibit 10.5 to the Registrant's Form 8-K filed on December 21, 2015).

10.33 TerraForm Option Agreement, dated as of December 15, 2015, by and between Sun Edison LLC and TerraForm Power, LLC (incorporated by reference to Exhibit 10.6 to the Registrant's 8-K filed on December 21, 2015).

10.34 Purchase Agreement dated as of July 20, 2015, by and between TerraForm Power, LLC and SunEdison, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on July 22, 2015).

10.35 Amended and Restated Purchase Agreement, dated as of December 9, 2015, by and between SunEdison, Inc. and TerraForm Power, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on December 09, 2015).

10.36 Interim Agreement dated as of July 20, 2015 by and among SunEdison, Inc., SEV Merger Sub Inc. and TerraForm Power, LLC (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q for the quarter ended September 30, 2015).

10.37 Amended and Restated Interim Agreement, dated as of December 9, 2015, by and between SunEdison, Inc., SEV Merger Sub Inc. and TerraForm Power, LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed on December 09, 2015).

10.38 Term Facility, Take/Pay and IDR Letter Agreement, dated as of December 9, 2015, by and between SunEdison, Inc. and TerraForm Power, LLC (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed on December 09, 2015).

10.39 Settlement Agreement, dated as of March 6, 2017, by and among TerraForm Power, Inc., TerraForm Power, LLC, TerraForm Power Operating, LLC, SunEdison Inc. and the other parties named therein (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K filed on March 7, 2017).

10.40 Voting and Support Agreement, dated as of March 6, 2017, by and among Orion US Holdings 1 L.P., BRE TERP Holdings Inc., SunEdison, Inc., SunEdison Holdings Corporation, SUNE ML1, LLC and TerraForm Power, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K filed on March 7, 2017).

10.41 TerraForm Power, Inc. 2014 Second Amended and Restated Long-Term Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form S-1/A, File No. 333-196345, filed on June 13, 2014).

10.42 Form of Restricted Stock United Agreement For Employees (incorporated by reference to Exhibit 10.16 to the Registrant's Registration Statement on Form S-1/A, File No. 333-1, filed on July 16, 2014).

10.43 Form of Restricted Stock United Agreement For Directors (incorporated by reference to Exhibit 10.17 to the Registrant's Registration Statement on Form S-1/A, File No. 333-1, filed on July 16, 2014).

10.44 Retention Bonus Award Letter to Rebecca Cranna dated April 7, 2016.

10.45 Letter Agreement between Rebecca Cranna and TerraForm Power, Inc. dated July 5, 2016.

10.46 Letter Agreement, dated as of August 30, 2016, by and among TerraForm Power, Inc., TerraForm Global, Inc. and Rebecca Cranna.

10.47 Bonus Award Letter to Rebecca Cranna dated December 12, 2016.

10.48 Letter Agreement, dated as of December 20, 2016, between TerraForm Power, Inc. and Rebecca Cranna.

10.49	Letter Agreement Regarding Accelerated Vesting between Rebecca Cranna and TerraForm Power, Inc. dated December 20, 2016.
10.50	Retention Bonus Award Letter to Rebecca Cranna dated April 10, 2017.
10.51	Retention Bonus Award Letter to Sebastian Deschler dated April 7, 2016.
10.52	Letter Agreement between Sebastian Deschler and TerraForm Power, Inc. dated July 5, 2016.
10.53	Letter Agreement, dated as of August 25, 2016 by and among TerraForm Power, Inc., TerraForm Global, Inc. and Sebastian Deschler.
10.54	Bonus Award Letter to Sebastian Deschler dated December 12, 2016.
10.55	Letter Agreement, dated as of December 20, 2016, between TerraForm Power, Inc. and Sebastian Deschler.
10.56	Letter Agreement Regarding Accelerated Vesting between Sebastian Deschler and TerraForm Power, Inc. dated December 20, 2016.
10.57	Retention Bonus Award Letter to Sebastian Deschler dated April 10, 2017.
10.58	Credit and Guaranty Agreement, dated as of December 15, 2015, among TerraForm Private Operating II, LLC, as borrower, TerraForm Private II, LLC, as a guarantor, certain subsidiaries of TerraForm Private Operating II, LLC, as guarantors, the lenders party thereto from time to time, and Citibank, N.A., as administrative agent and collateral agent.
21.1	List of Subsidiaries of TerraForm Power, Inc.
31.1	Certification by the Chief Executive Officer of TerraForm Power, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification by the Chief Financial Officer of TerraForm Power, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification by the Chief Executive Officer and the Chief Financial Officer of TerraForm Power, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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* This information is furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.

** Annexes, schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Registrant agrees to furnish a copy of any omitted attachment to the Securities and Exchange Commission on a confidential basis upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TERRAFORM POWER, INC.
(Registrant)

Date: July 21, 2017

By: /s/ PETER BLACKMORE
Peter Blackmore
Interim Chief Executive Officer, Director and Chairman

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ PETER BLACKMORE Peter Blackmore	Interim Chief Executive Officer, Director and Chairman (Principal executive officer)	July 21, 2017
/s/ REBECCA CRANNA Rebecca Cranna	Executive Vice President and Chief Financial Officer (Principal financial officer and principal accounting officer)	July 21, 2017
/s/ HANIF "WALLY" DAHYA Hanif "Wally" Dahya	Director	July 21, 2017
/s/ CHRISTOPHER COMPTON Christopher Compton	Director	July 21, 2017
/s/ JOHN F. STARK John F. Stark	Director	July 21, 2017
/s/ KERRI L. FOX Kerri L. Fox	Director	July 21, 2017
/s/ EDWARD "NED" HALL Edward "Ned" Hall	Director	July 21, 2017
/s/ MARC S. ROSENBERG Marc S. Rosenberg	Director	July 21, 2017
/s/ CHRISTIAN S. FONG Christian S. Fong	Director	July 21, 2017
/s/ DAVID PAUKER David Pauker	Director	July 21, 2017

Exhibit 10.21

EXECUTION VERSION

WAIVER AGREEMENT

THIS WAIVER AGREEMENT (this "**Agreement**") is dated as of November 25, 2016 and is entered into by and among **TERRAFORM POWER OPERATING, LLC**, a Delaware limited liability company ("**Borrower**"), the other Credit Parties party hereto, **BARCLAYS BANK PLC** ("**Barclays**"), as a Lender and as Administrative Agent ("**Administrative Agent**") and the other Lenders party hereto, and is made with reference to that certain **CREDIT AND GUARANTY AGREEMENT** dated as of January 28, 2015 (as amended through the date hereof, the "**Credit Agreement**") by and among Borrower, **TERRAFORM POWER, LLC**, a Delaware limited liability company ("**Holdings**"), the subsidiaries of Borrower named therein, the Lenders, the Administrative Agent, Collateral Agent and the other Agents named therein. Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Credit Agreement.

RECITALS

WHEREAS, pursuant to Section 5.1(b) of the Credit Agreement, Holdings is require to deliver to the Administrative Agent and Lenders certain financial statements and accompanying information with respect to the Fiscal Quarter ended September 30, 2016 ("**Q3 2016**") within 75 days after the end of such Fiscal Quarter;

WHEREAS, pursuant to Section 5.1(b) of the Credit Agreement, the delivery of the financial statements and accompanying information required to be delivered with respect to Q3 2016 shall be satisfied by delivery of unaudited quarterly consolidated financial statements of the Parent for the applicable Fiscal Quarter prepared in accordance with GAAP, so long as certain requirements regarding the Parent's ownership and accounting treatment of Holdings under Section 5.1(q) of the Credit Agreement are satisfied, together with (x) comparisons to the corresponding figures for the corresponding Fiscal Quarter of the previous Fiscal Year, (y) a Financial Officer Certification and (z) information that explains in reasonable detail the differences, if any, between the information relating to Parent and any of its Subsidiaries other than Holdings and its Subsidiaries, on the one hand, and the information relating to Holdings and its Subsidiaries on a stand-alone basis, on the other hand (the "**Q3 2016 Financial Information**");

WHEREAS, pursuant to Section 5.1(d) of the Credit Agreement, Holdings is required to deliver, together with each delivery of financial statements pursuant to Sections 5.1(b) and 5.1(c), a duly executed and completed Compliance Certificate and an updated organizational chart of Borrower in the form of Schedule 4.1 to the Credit Agreement;

WHEREAS, pursuant to Section 5.1(f) of the Credit Agreement, Holdings is required to deliver a certificate of an Authorized Officer to the Administrative Agent and Lenders upon any officer of Holdings or Borrower obtaining knowledge, among other things, of any condition or event that constitutes a Default or an Event of Default or that notice has been given to Holdings or Borrower with respect thereto;

WHEREAS, pursuant to Section 6.7(a) of the Credit Agreement, Borrower may not permit the Debt Service Coverage Ratio as of the last day of Q3 2016 to be less than 1.75:1.00 (the "**Q3 2016 Debt Service Coverage Ratio**");

WHEREAS, pursuant to Section 6.7(b)(ii) of the Credit Agreement, Borrower may not permit the Leverage Ratio as of the last day of Q3 2016 to exceed 6.00:1.00 (the "**Q3 2016 Leverage Ratio**");

WHEREAS, the Credit Parties have requested that the Requisite Lenders and Administrative Agent consent to a waiver of certain provisions of the Credit Agreement as provided for herein; and

WHEREAS, subject to certain conditions, the Requisite Lenders and Administrative Agent are willing to consent to such waiver on the terms provided for herein.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION I. WAIVER OF CERTAIN COVENANTS

A. Notwithstanding anything to the contrary contained in the Credit Agreement and pursuant to Section 10.5 of the Credit Agreement, the Administrative Agent and the Requisite Lenders hereby waive, for all purposes of the Credit Agreement, (i) any and all Defaults or Events of Default (whether existing as of, prior to or after the date hereof), and the consequences thereof, that may occur or may have occurred, directly or indirectly, as a result of, arising from, relating to or in connection with a failure to comply with any of the covenants (all such covenants, the "**Waived Covenants**") set forth in (a) Section 5.1(b) of the Credit Agreement with respect to the Q3 2016 Financial Information; (b) Section 5.1(d) of the Credit Agreement with respect to Q3 2016; (c) Section 6.7(a) of the Credit Agreement with respect to the Q3 2016 Debt Service Coverage Ratio; (d) Section 6.7(b)(ii) of the Credit Agreement with respect to the Q3 2016 Leverage Ratio; and (e) Section 5.1(f) of the Credit Agreement with respect to any condition, event or change as a result of, arising from, relating to or in connection with a failure to comply with any of covenants referred to in the foregoing clauses (a) through (d) and (ii) compliance with the Waived Covenants, in each case of clauses (i) and (ii) effective on the Effective Date (as defined below) (the waivers contemplated by clauses (i) and (ii) of this Section I.A., collectively, the "**Waiver**"). For the avoidance of doubt, this Waiver does not include a waiver of any Event of Default occurring under Section 8.1(b) of the Credit Agreement.

B. If Holdings fails to deliver to the Administrative Agent and Lenders, on or prior to January 1, 2017, either (x) the financial statements and accompanying report required to be delivered pursuant to Section 5.1(c) of the Credit Agreement with respect to the Fiscal Year ended December 31, 2015 or (y) the Q3 2016 Financial Information together with a duly executed and completed Compliance Certificate (which, for clarity, need not set forth or demonstrate that the Q3 2016 Debt Service Coverage Ratio or the Q3 2016 Leverage Ratio are in compliance with Section 6.7 of the Credit Agreement), and an updated organizational chart of Borrower in the form of Schedule 4.1 to the Credit Agreement, with respect to Q3 2016, the Waiver will terminate on, and be of no further force and effect after, January 1, 2017 (it being understood, for the avoidance of doubt, that (i) for all purposes of the Credit Agreement, no such termination shall affect the validity of the Waiver prior to January 1, 2017, (ii) an immediate Event of Default shall be deemed to occur on January 1, 2017 upon such termination and (iii) Holdings must deliver the financial information described in both clauses (x) and (y) to prevent termination of the Waiver).

SECTION II. ADDITIONAL AGREEMENTS

A. Holdings acknowledges and agrees that it shall deliver to the Administrative Agent and Lenders on or prior to December 14, 2016 the unaudited consolidated balance sheets of Parent and its Subsidiaries, and the related unaudited consolidated statements of income, stockholders' equity and cash flows as of the end of, and for, Q3 2016, as applicable (it being understood, for the avoidance of doubt, such financial information shall not include notes, the Narrative Report or management's discussion and analysis of financial condition and results of operations, Financial Officer Certification, Compliance Certificate and other disclosures, whether or not required by GAAP). Failure for five Business Days to comply with this Section II shall be deemed an immediate Event of Default.

B. Borrower acknowledges and agrees that, within 5 Business Days of the Effective Date of this Agreement, Borrower shall (i) prepay the Loans under the Credit Agreement and (ii) permanently reduce the Revolving Commitments, in each case, in an aggregate amount equal to $30 million. The Administrative Agent and the Requisite Lenders hereby acknowledge and agree that this Agreement constitutes written notice of such permanent reduction of the Revolving Commitments as contemplated by Section 2.13(b) of the Credit Agreement.

SECTION III. CONDITIONS TO EFFECTIVENESS

This Agreement shall become effective as of the date hereof only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the "**Effective Date**"):

A. **Execution**. Administrative Agent shall have received a counterpart signature page of this Agreement duly executed by each of the Credit Parties, the Administrative Agent, the Collateral Agent and the Requisite Lenders.

B. **Representations and Warranties.** The representations and warranties contained in Section IV hereof and in Sections 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.10, 4.12, 4.13, 4.14, 4.17, 4.18, 4.19, 4.20, 4.21, 4.22, 4.25 and 4.26 of the Credit Agreement shall be true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof.

C. Fees. The Administrative Agent shall have received, or shall have received satisfactory confirmation of payment of, all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, all out-of-pocket expenses required to be reimbursed or paid by Borrower under any Credit Document.

SECTION IV. REPRESENTATIONS AND WARRANTIES

In order to induce Administrative Agent and the Requisite Lenders to enter into this Agreement, each Credit Party party hereto represents and warrants to Administrative Agent that the following statements are true and correct in all respects:

A. Corporate Power and Authority. Each Credit Party party hereto has all requisite power and authority to enter into this Agreement and to perform its obligations under this Agreement.

B. Authorization of Agreements. The execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of each Credit Party.

C. No Conflict. The execution and delivery by each Credit Party of this Agreement and the performance by each Credit Party of this Agreement do not and will not (i) violate (A) any provision of any law, statute, rule or regulation, or of the certificate or articles of incorporation or partnership agreement, other constitutive documents or by-laws of Borrower or any Credit Party or (B) any applicable order of any court or any rule, regulation or order of any Governmental Authority, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any Contractual Obligation of the applicable Credit Party, where any such conflict, violation, breach or default referred to in clause (i) or (ii) of this Section IV.C., individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, (iii) except as permitted under the Credit Agreement, result in or require the creation or imposition of any Lien upon any of the properties or assets of any Credit Party (other than any Liens created under any of the Credit Documents in favor of Collateral Agent on behalf of Lenders), or (iv) require any approval of stockholders or partners or any approval or consent of any Person under any Contractual Obligation of any Credit Party, except for such approvals or consents which will be obtained on or before the date hereof and except for any such approvals or consents the failure of which to obtain will not have a Material Adverse Effect.

D. Governmental Consents. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the execution and delivery by each Credit Party of this Agreement and the performance by each Credit Party of its obligations under this Agreement, except for such actions, consents and approvals the failure to obtain or make which could not reasonably be expected to result in a Material Adverse Effect or which have been obtained and are in full force and effect.

E. Binding Obligation. This Agreement has been duly executed and delivered by each of the Credit Parties party hereto and constitutes a legal, valid and binding obligation of such Credit Party, to the extent a party hereto, enforceable against such Credit Party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and except as enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

F. Incorporation of Representations and Warranties from Credit Agreement. The representations and warranties contained in Sections 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.10, 4.12, 4.13, 4.14, 4.17, 4.18, 4.19, 4.20, 4.21, 4.22, 4.25 and 4.26 of the Credit Agreement are and will be true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof.

G. Absence of Default. As of the date hereof, after giving effect to the Waiver and other than the failure to comply with Sections 5.1(c) and (d) of the Credit Agreement with respect to the Fiscal Year ended December 31, 2015, no event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Waiver that would constitute an Event of Default or a Default.

SECTION V. ACKNOWLEDGMENT AND CONSENT; REAFFIRMATION

Each Credit Party hereby acknowledges that it has reviewed the terms and provisions of the Credit Agreement and this Agreement and consents to the terms and conditions contemplated hereby. Each Credit Party hereby confirms and reaffirms that each Credit Document to which it is a party or otherwise bound and all Collateral encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Credit Documents the payment and performance of all "Obligations" and "Secured Obligations", as applicable, under each of the Credit Documents to which it is a party (in each case as such terms are defined in the applicable Credit Document).

Each Credit Party acknowledges and agrees that, except as waived pursuant to or otherwise modified by this Agreement, any of the Credit Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Agreement. As of the Effective Date, each Credit Party reaffirms each Lien it granted to the Collateral Agent for the benefit of the Secured Parties, and any Liens that were otherwise created or arose under each of the Credit Documents to which such Credit Party is party and reaffirms the guaranties made in favor of each Secured Party under each of the Credit Documents to which such Credit Party is party, which Liens and guaranties shall continue in full force and effect during the term of the Credit Agreement and any amendments, amendments and restatements, supplements or other modifications thereof and shall continue to secure the Obligations of Borrower and the other Credit Parties under any Credit Document, in each case, on and subject to the terms and conditions set forth in the Credit Agreement and the Credit Documents.

Each Guarantor acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Agreement, such Guarantor is not required by the terms of the Credit

Agreement or any other Credit Document to consent to the transactions contemplated hereby and (ii) nothing in the Credit Agreement, this Agreement or any other Credit Document shall be deemed to require the consent of such Guarantor to any future modifications or amendments to the Credit Agreement.

SECTION VI. MISCELLANEOUS

A. <u>Reference to and Effect on the Credit Agreement and the Other Credit Documents</u>. Except as expressly provided for herein, the execution, delivery and performance of this Waiver shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of any Agent or Lender under, the Credit Agreement or any of the other Credit Documents.

B. <u>Headings</u>. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

C. <u>Applicable Law</u>. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF AND ANY DETERMINATIONS WITH RESPECT TO POST-JUDGMENT INTEREST) SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

D. <u>Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic format (i.e., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Agreement.

E. <u>Credit Document</u>. This Agreement shall constitute a Credit Document.

[*Remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

TERRAFORM POWER, LLC

By: /s/ Rebecca Cranna
Name: Rebecca Cranna
Title: Executive Vice President and Chief Financial Officer

TERRAFORM POWER OPERATING, LLC

By: TERRAFORM POWER, LLC,
its Sole Member and Sole Manager

By: /s/ Rebecca Cranna
Name: Rebecca Cranna
Title: Executive Vice President and Chief Financial Officer

SunEdison Canada Yieldco Master Holdco, LLC
SunEdison Yieldco Chile Master Holdco, LLC
SunEdison Yieldco DG–VIII Master Holdco, LLC
SunEdison Yieldco UK HoldCo 3 Master Holdco, LLC
SunEdison Yieldco UK HoldCo 4 Master Holdco, LLC
SunEdison Yieldco UK HoldCo 2 Master Holdco, LLC
SunEdison Yieldco ACQ1 Master Holdco, LLC
SunEdison Yieldco Nellis Master Holdco, LLC
SunEdison Yieldco Regulus Master Holdco, LLC
SunEdison Yieldco ACQ2 Master Holdco, LLC
SunEdison Yieldco ACQ3 Master Holdco, LLC
SunEdison Yieldco ACQ9 Master Holdco, LLC
SunEdison Yieldco ACQ4 Master Holdco, LLC
SunEdison Yieldco ACQ5 Master Holdco, LLC
SunEdison Yieldco Enfinity Master Holdco, LLC
SunEdison Yieldco DGS Master Holdco, LLC
SunEdison Yieldco ACQ7 Master Holdco, LLC
SunEdison Yieldco ACQ8 Master Holdco, LLC
SunEdison Yieldco ACQ6 Master Holdco, LLC
TerraForm Power IVS I Master Holdco, LLC
TerraForm LPT ACQ Master Holdco, LLC
TerraForm Solar Master Holdco, LLC
SunEdison Yieldco DG Master Holdco, LLC
TerraForm CD ACQ Master Holdco, LLC
TerraForm REC ACQ Master Holdco, LLC
TerraForm Solar XVII ACQ Master Holdco, LLC
TerraForm First Wind ACQ Master Holdco, LLC
TerraForm Thor ACQ Master Holdco, LLC

By: TERRAFORM POWER OPERATING, LLC,
its Sole Member and Sole Manager

By: TERRAFORM POWER, LLC,
its Sole Member and Sole Manager

By /s/ Rebecca Cranna
Name: Rebecca Cranna
Title: Executive Vice President and Chief Financial Officer

BARCLAYS BANK PLC, as Administrative Agent, Collateral Agent, Swing Line Lender and as a Lender

By: /s/ Authorized Signatory
Authorized Signatory

MIHI,
as a Lender

By: /s/ Lisa Grushkin
Name: Lisa Grushkin
Title: Authorized Signatory

By: /s/ Stephen Mehos
Name: Stephen Mehos
Title: Authorized Signatory

UBS AG, STAMFORD BRANCH,
as a Lender

By: /s/ Craig Pearson
Name: Craig Pearson
Title: Associate Director

By: /s/ Darlene Arias
Name: Darlene Arias
Title: Director

JPMorgan Chase Bank, N.A.,
as a Lender

By: /s/ Bridget Killackey
Name: Bridget Killackey
Title: Executive Director

CitiBank N.A.,
as a Lender

By: /s/ Authorized Signatory
Authorized Signatory

Morgan Stanley Bank, N.A.,
as a Lender

By: /s/ Dmitriy Barskiy
Name: Dmitriy Barskiy
Title: Authorized Signatory

MORGAN STANLEY SENIOR FUNDING,
as a Lender

By: /s/ Dmitriy Barskiy
Name: Dmitriy Barskiy
Title: Vice President

Bank of America, N.A.,
as a Lender

By: /s/ Maggie Halleland
Name: Maggie Halleland
Title: Vice President

GOLDMAN SANCHS BANK USA,
as a Lender

By: /s/ Ushma Dedhiya
Name: Ushma Dedhiya
Title: Authorized Signatory

Santander Bank, N.A.,
as a Lender

By: /s/ Andres Barbosa
Name: Andres Barbosa
Title: Executive Director

Exhibit 10.44

CONFIDENTIAL

April 7, 2016

Ms. Rebecca Cranna
Executive Vice President and
Chief Financial Officer
TerraForm Power, Inc. and
TerraForm Global, Inc.
7550 Wisconsin Avenue, 9th Floor
Bethesda, Maryland 20814

Re: Retention Award

Dear Ms. Cranna:

TerraForm Power, Inc. ("*TerraForm*") has selected you to receive a special retention award to encourage you to remain employed by SunEdison, Inc. ("*SunEdison*") through March 31, 2017.

1. Your Retention Award

(a) *The Amount of Your Award*. Subject to the terms and conditions set forth below, you will receive a cash retention award of $299,362.00 (your "*Retention Award*").

(b) *Vesting and Forfeiture*. A third of your Retention Award will vest on May 31, 2016, a third will vest on September 30, 2016 and the remaining third will vest on March 31, 2017 (each of May 31, 2016, September 30, 2016 and March 31, 2017 a "*Vesting Date*"). To receive the relevant third of your Retention Award, you must be employed by SunEdison on the applicable Vesting Date.

(c) *Extension of Your Award*. You will remain entitled to receive any unpaid portion of your Retention Award if SunEdison terminates your employment without Cause (as defined below) before an applicable Vesting Date and either (1) you accept an offer of employment from TerraForm Power, Inc., TerraForm Global, Inc. or an affiliate (together, the "*TerraForm Companies*") for an equivalent position and at least equivalent compensation (each determined in TerraForm's reasonable discretion) and remain employed through the applicable Vesting Date or (2) no TerraForm Company offers you employment at an equivalent position. You must inform TerraForm promptly of a termination without Cause to be eligible for this extension of your Retention Award. For the avoidance of doubt, if you terminate your employment with SunEdison for any reason, your employment is terminated for Cause by SunEdison or your employment is terminated by SunEdison without Cause and you do not inform TerraForm promptly, in each case, before a Vesting Date, then your unpaid Retention Award will be forfeited and you will have no right to any payment in respect of it.

(d) *Payment*. The relevant third of your Retention Award will be payable to you as soon as practicable following the applicable Vesting Date, but in any event within thirty days of that Vesting Date.

(e) *Cause*. For purposes of this letter, "*Cause*" means your: (1) continued failure to substantially perform your duties to SunEdison (or the TerraForm Companies for the period you are providing services to them under the relevant Management Services Agreement); (2) conviction of, or plea of guilty or *nolo contendere* to, a felony; (3) engaging in illegal conduct or gross misconduct that causes financial or reputational harm to SunEdison or any of the TerraForm Companies; or (4) engaging in fraud in connection with the business of SunEdison or any TerraForm Company or misappropriation of SunEdison's or any TerraForm Company's funds or property. TerraForm shall determine in its discretion whether your employment with SunEdison was terminated for Cause, and you agree that, in consideration of this letter, any such determination shall be binding on you.

2. General Provisions

(a) *Not a Contract of Employment; No Assignment*. You and TerraForm acknowledge that this letter does not constitute a contract of employment with any TerraForm Company and that your employment continues to be with SunEdison. This letter is personal to you and you will not have any right to transfer, assign, pledge, alienate or create a lien upon this letter or any rights hereunder. The Retention Award is unfunded and unsecured and payable out of the general funds of TerraForm.

(b) *Amendments and Waivers*. Any provision of this letter may be amended or waived but only if the amendment or waiver is in writing and signed by TerraForm (and, in the case of an amendment, by you).

(c) *Taxes*. TerraForm will not withhold any federal, state or local taxes from the Retention Award (unless you become an employee of TerraForm). You hereby acknowledge that you will be responsible for the payment and remittance of any such taxes that are applicable to the Retention Award.

(d) *Governing Law*. The laws of the State of Delaware applicable to agreements to be performed entirely within the State of Delaware govern all matters arising out of or relating to this letter, including its interpretation, construction, performance and enforcement.

(e) *Entire Agreement*. This letter sets forth the entire agreement between the parties with respect to the subject matter hereof, and fully supersedes any and all prior agreements, understandings, or representations between the parties pertaining to the subject matter of this letter.

(f) *Counterparts*. This letter may be executed as counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement.

*   *   *

Very truly yours,

/s/ Peter Blackmore

Peter Blackmore
The Office of the Chairman of TerraForm Power and TerraForm Global

Exhibit 10.45

CONFIDENTIAL

July 5, 2016

Ms. Rebecca Cranna
Chief Financial Officer
TerraForm Power, Inc.
7550 Wisconsin Avenue, 9th Floor
Bethesda, MD 20814

Re: Vesting of Restricted Shares and/or Restricted Stock Units

Dear Ms. Cranna:

TerraForm Power, Inc. (*"We"* or *"TerraForm"*) very much appreciates the services you have been performing to support our operations. Our board of directors has therefore decided to grant you additional rights under any Restricted Stock Award Agreement or Restricted Stock Unit Agreement (each, an *"Existing Grant Agreement"*) in effect as of today (the *"Amendment Effective Date"*) between you (the *"Participant"*) and TerraForm under TerraForm's 2014 Long-Term Incentive Plan, as in effect and as may be amended from time to time (the *"Plan"*). All capitalized terms used but not defined in this letter shall have the meaning assigned to them in the relevant Existing Grant Agreement or the Plan.

1. Additional Accelerated Vesting Event

The following shall be added as a new subsection at the end of the section of each Existing Grant Agreement entitled "Vesting":

> "Notwithstanding provisions of this Agreement requiring forfeiture on certain employment terminations, if the Participant (i) (1) is Terminated without Cause by, or resigns for Good Reason from, SunEdison or its relevant Affiliate (together, the *"SunEdison Companies"*), and (2) immediately notifies TerraForm in writing of such termination or resignation, but does not promptly receive an offer of employment from TerraForm Power, Inc., TerraForm Global, Inc. or one of their Affiliates (together, the *"TerraForm Companies"*) for an equivalent position and at least equivalent compensation opportunity (each determined in TerraForm's reasonable discretion) (an *"Equivalent Employment Offer"*) and does not then become employed by a TerraForm Company or (ii) has become an employee of a TerraForm Company and is thereafter Terminated without Cause by, or resigns for Good Reason from, such TerraForm Company, one hundred percent (100%) of the unvested shares of Restricted Stock or unvested RSUs, as applicable, shall immediately and provisonally vest and the remaining unvested shares of Restricted Stock or unvested RSUs, as applicable, shall be immediately forfeited, provided that such accelerated vesting shall be provisional, and require that the Participant execute a separation and release of claims agreement in favor of the TerraForm Companies as described below in this subsection.

For the avoidance of doubt, (1) if the Participant accepts an offer of employment from a TerraForm Company and stays employed by such TerraForm Company until the relevant Vesting Date, no Termination shall be deemed to have occurred, and no unvested shares of Restricted Stock or unvested RSUs, as applicable, shall be forfeited, notwithstanding any brief interruption of employment caused by such change in employment from the SunEdison Companies to the TerraForm Companies and notwithstanding any time periods during which the Participant performs services to any of the TerraForm Companies as an employee or contractor of a temporary employment company which the relevant TerraForm Company has retained for such purpose, (2) a Termination resulting from a reduction in force shall not be deemed a termination for Cause (unless the Participant is actually terminated for Cause), (3) a resignation (other than for Good Reason and other than to accept employment at a TerraForm Company) by the Participant from a SunEdison Company or a TerraForm Company, or a Termination of employment by a SunEdison Company or a TerraForm Company for Cause, shall result in the immediate forfeiture of any unvested Restricted Stock or unvested RSUs, as applicable, provided that nothing in this subsection shall limit or otherwise affect the discretion of the Compensation Committee of TerraForm's board of directors (the "Committee") to accelerate vesting hereunder, or any other provision herein that may provide for accelerated vesting. Nothing in this subsection is intended to override any more complete vesting based on a Change in Control that this Agreement may provide.

TerraForm's obligation to recognize the provisional vesting under this Agreement is subject (a) to the Participant's signing a separation and release of claims agreement (the "TerraForm Release") on a form with customary terms to be supplied by TerraForm at or promptly following the date of termination (which shall include, among other provisions, a release of claims in favor of the TerraForm Companies, confirmation of continued compliance with restrictive covenants, and post-employment cooperation,), which release becomes enforceable within 60 days (or such shorter period as the release then specifies) following the date of termination, and (b) to the Participant's meeting in full the Participant's obligations under any restrictive covenants agreements in effect between the Participant and the TerraForm Companies and, to the extent benefiting the TerraForm Companies, any such agreements in effect between the Participant and SunEdison.

The portion of each award under an Existing Grant Agreement for which vesting is accelerated by this subsection will only become fully vested if and when the Participant satisfies the release requirements, and any such provisionally vested portion will be forfeited retroactively to the Participant's date of termination if the Participant either notifies TerraForm that he or she will not execute or will revoke the TerraForm Release or the period for providing the TerraForm Release expires without the Participant's complying with the release requirements. TerraForm may choose instead to provide to the Participant any provisionally vested portions of these awards, subject to the Participant's undertaking to repay TerraForm in the manner determined by the Committee at such time if the Participant fails to satisfy the release requirements thereafter. Notwithstanding the foregoing, to the extent permitted by the equity plan under which such an award was granted, nothing in this Agreement shall preclude TerraForm from accelerating the vesting of any or all such awards to an earlier period."

2. General Provisions

(a) *Entire Agreement*. This letter modifies the terms of certain specified awards pursuant to Existing Grant Agreements and sets forth the entire agreement between the parties with respect to the subject matter hereof, and fully supersedes any and all prior agreements, understandings, or representations between the parties pertaining to the subject matter of this letter. For the avoidance of doubt, this letter does not supersede the terms of equity agreements and plans that, as modified where applicable, are referenced herein, and the definitions of Cause and Good Reason used herein are only to be applied to the vesting of the awards under the Existing Grant Agreements.

(b) *No Other Amendments*. Except as expressly set forth in this letter agreement, the Existing Grant Agreements shall remain in full force and effect and shall not be deemed amended or modified in any way.

(c) *Governing Law*. All questions concerning the construction, validity and interpretation of this letter agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof.

(d) *Counterparts*. This letter may be executed as counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement.

(e) *Severability*. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

(f) *No Right to Employment*. Nothing in this Agreement shall interfere with or limit in any way the right of any SunEdison Company or any TerraForm Company to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

(g) *Binding Agreement; Assignment*. This letter agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except in accordance with the provisions of the Existing Grant Agreements) any part of this Agreement without the prior express written consent of the Company.

* * *

Very truly yours,

/s/ Peter Blackmore
TerraForm Power, Inc.
Peter Blackmore
Chairman and Interim Chief Executive Officer

Acknowledged and agreed:

/s/ Rebecca Cranna
Name: Rebecca Cranna

Exhibit 10.46

August 24, 2016

Rebecca Cranna
TerraForm Power, Inc.
7550 Wisconsin Avenue, 9th Floor
Bethesda, Maryland 20814

Re: Severance Protections and Compensation Terms

Dear Ms. Cranna:

TerraForm Power, Inc. ("***TerraForm***") has selected you to receive special protections to encourage you to remain employed by SunEdison, Inc. or a subsidiary thereof (together, "***SunEdison***") or, as may become applicable, TerraForm or a subsidiary thereof. This letter sets forth our agreement with respect to (i) TerraForm's agreement to employ you at-will if your employment with SunEdison is terminated under certain circumstances, (ii) the severance protections that TerraForm will provide for you if you become its employee, (iii) salary compensation with respect to 2016 that TerraForm will provide to you should you cease employment with SunEdison and become a TerraForm employee, and (iv) bonus compensation effective January 1, 2016 that TerraForm will provide to you regardless of whether you remain employed with SunEdison or become employed with TerraForm at any time. "Cause" and other capitalized terms used but not defined herein have the meanings assigned to them in the TerraForm Power, Inc. 2014 Second Amended and Restated Long-Term Incentive Plan.

1. Your Employment and Severance Protection

(a) *SunEdison Termination*. If, prior to the first anniversary of the date of this letter agreement, SunEdison terminates your employment without Cause or you resign from SunEdison for Good Reason, TerraForm shall offer you employment as of the effective date of such termination and your employment shall be transferred to TerraForm as of that date, provided you consent to such transfer. Such employment shall be at-will, and pursuant to the terms set forth in Section 2 below. For purposes of this letter, "***Good Reason***" means (i) any action by the company that then employs you that results in a material adverse change in your reporting relationship, authority, duties or responsibilities; *provided*, *however*, that the fact that your employer has become a subsidiary of another company or that the securities of your employer are no longer publicly traded, shall not be taken into account when determining whether a material adverse change in your authority, duties or responsibilities has occurred; (ii) any material reduction in your base salary or any materially adverse change in the percentage of your base salary used to determine your annual bonus opportunity (where a "***material reduction***" or "***materially adverse change***" would be a reduction of the relevant compensation or percentage by 10% or more); or (iii) your employer requires you to be based (excluding temporary assignments and business travel) at any office or location that is more than 50 miles distant from your base office or work location immediately prior to relocation, except if such new location is closer to your residence at the time such requirement is imposed. Notwithstanding the occurrence of any such event or circumstance, such occurrence shall not be deemed to constitute Good Reason unless (x) you give your employer the notice of termination no more than 90 days after the initial existence of such event or circumstance, (y) such event or circumstance has not been fully corrected within 30 days of your employer's receipt of such notice and (z) the date of termination occurs within 30 days following the end of the correction period if the Good Reason has not been corrected.

(b) *TerraForm Severance and Effect of Transfer*. If, with your consent, your employment is transferred to or you otherwise accept a position with TerraForm, you will not be eligible to receive any severance payment or benefit from TerraForm except as provided in Section 2(a) below. Notwithstanding the foregoing, however, if your employment is transferred pursuant to Section 1(a) above or you otherwise commence employment with TerraForm and you are later terminated without Cause or you resign from TerraForm for Good Reason or you die (each, an "***Eligible Termination Event***"), you will be eligible for the following severance benefits from TerraForm (the "***TerraForm Severance***"), in each case subject to your satisfying the requirements in Section 1(c) below.

(1) Cash severance equal to one year of your base salary in effect as of the Eligible Termination Event, payable in one lump sum in accordance with TerraForm's payroll procedures, as provided in Section 1(c) below; and

(2) A lump-sum payment equal to 12 months of COBRA health premiums.

(c) *Required Release; Payment Timing*. TerraForm's obligation to pay the TerraForm Severance is subject to your (i) signing a separation and release of claims agreement (the "***TerraForm Release***") with reasonable and customary terms (which shall include, without limitation, a release of claims in favor of TerraForm and its affiliates, confirmation of your continued compliance with restrictive covenants in effect on the date of termination, and reasonable post-employment cooperation obligations), substantially in a form to be provided by TerraForm (and subject to your agreement as to the form, which agreement cannot be unreasonably withheld) within 30 days following your signing this letter and then to be attached hereto as Exhibit B, which TerraForm Release becomes enforceable within 60 days (or such shorter period as the release then specifies) following the date of termination, and (ii) meeting in all material respects your obligations under any restrictive covenants agreements in effect between you and TerraForm and, to the extent benefiting TerraForm, any such agreements in effect between you and SunEdison or any other TerraForm affiliate. The TerraForm Severance shall be payable on the next regular payroll date following the date the TerraForm Release becomes effective and enforceable, provided that if the 60 day period for providing an enforceable release extends into a calendar year subsequent to the year containing the date of termination, payment shall be made no earlier than the first business day of such subsequent year.

(d) *No Impact on Retention Letter or Accelerated Vesting Letters.* For the avoidance of doubt, this letter agreement and TerraForm's commitments hereunder are separate from, and in addition to, any commitments made to you in the letter from TerraForm to you dated April 7, 2016 (the "***Retention Letter***") and the letters from TerraForm Power, Inc. and TerraForm Global, Inc. dated as of July 5, 2016 granting you certain additional rights under any Restricted Stock Award Agreement or Restricted Stock Unit Agreement you may have (the ***"Accelerated Vesting Letters")***, and no payments made or to be made to you pursuant to the Retention Letter or any accelerated vesting under the Accelerated Vesting Letters shall be considered part of any TerraForm Severance or otherwise reduce any payments due to you hereunder.

2. Compensation from TerraForm

(a) *Salary.* TerraForm will provide you the salary for 2016 described in this Section 2(a) if and when you become its employee and cease to be employed by SunEdison. Unless and until you become a TerraForm employee, TerraForm will have no obligation to provide the salary set forth below, and you will receive your salary under your arrangements with SunEdison. If and when you become a

TerraForm employee, your base salary will be $15,428.64 per bi-weekly period, payable in accordance with TerraForm's standard payroll practices (currently bi-weekly) and subject to all appropriate withholdings, and annualizing to $401,144.75. If, at the time you become a TerraForm employee, SunEdison has failed to make any salary payments for 2016 owed to you with respect to your employment with SunEdison or has failed to reimburse any expenses that are consistent with its expense reimbursement policies (and does not make such payments in its final paycheck for you), TerraForm will pay any such outstanding amount in a single additional payment within the first two pay periods following your becoming a TerraForm employee (or, for expenses, as soon thereafter as you have submitted any required substantiation).

(b) *Bonus.*

(i) *Basic and Enhanced Bonus*. Regardless of whether you remain employed by SunEdison or become an employee of TerraForm, you will be eligible to participate in an annual variable incentive plan of TerraForm effective as of January 1, 2016 (the "***VIP***"). The target amount under the VIP for your position is 60% of your base salary, with a minimum, assuming at least minimum performance relative to objectives is achieved, of 40% and a maximum of 120% of your base salary, depending on the extent target level performance is achieved. For 2016, you will be eligible for an additional bonus (the "***Bonus Enhancement***") with a target amount of 12.5% of your base salary, and a maximum of 25% of your base salary, based on performance relative to objectives. Payments under the VIP and the Bonus Enhancement are dependent upon a combination of TerraForm's financial performance and your personal performance (with the details to be set forth on an Exhibit C that will be attached hereto within 30 days following your signing this letter) and will be made to you by TerraForm. Payments under the VIP and the Bonus Enhancement will also be subject to approval by TerraForm's Board of Directors (the "***Board***") or its Compensation Committee (the "***Committee***"). The Committee (or the Board if it chooses to act) will have the discretion to determine whether you have achieved the TerraForm key objectives and your personal objectives in your performance for 2016. TerraForm expects to continue comparable bonus arrangements in 2017.

(ii) *Bonus Offsets and Timing Rules*. *Bonus Offsets and Timing Rules*. The VIP and the Bonus Enhancement will be calculated based on the sum of (x) your base salary from SunEdison while you remain its employee and (y) if you become TerraForm's employee, your base salary from TerraForm. Any amounts due by TerraForm to you under Section 2(b)(i) will be reduced by payments you receive under the same or similar bonus arrangements at SunEdison for the calendar year 2016. Payments under Section 2(b)(i) will be made to you no later than March 15, 2017.

(iii) *Required Employment and Reservation of Rights*. *Required Employment and Reservation of Rights*. To receive any bonus under Section 2(b)(i), you must remain employed by either SunEdison or TerraForm through the date the bonuses are due to be paid or otherwise as set forth in the applicable bonus policy. TerraForm, acting through its Board or the Committee, reserves the right to change, alter, modify, or delete (each, a "***change***") any provisions of Section 2(b) at any time, with or without prior notice, provided that no such change shall take effect until January 1 of the calendar year following that in which it is made.

(c) *Paid Time Off.* If your employment is transferred pursuant to Section 1(a) above or you otherwise commence employment with TerraForm, TerraForm will also honor any unused and uncompensated paid time off that remained accrued for you by SunEdison (or is otherwise substantiated as remaining outstanding in the year of termination) at the date you become employed by TerraForm, up to an aggregate of 280 hours (but disregarding any limits on the termination date accruals caused by SunEdison's bankruptcy filing). TerraForm is in the process of developing its procedures for accrual, caps, and payment with respect to paid time off for its own employees. You will be treated in a manner consistent with the other similarly situated employees under such policies, including reimbursement for paid time off (to the extent accrued as described above) if you do not become employed by TerraForm.

(d) *Benefits.* You will be entitled to participate in any and all benefit programs that TerraForm establishes and makes available to its employees from time to time, provided that you are eligible under (and subject to all provisions of) the plan documents governing those programs.

3. General Provisions

(a) *Not a Contract of Employment; No Assignment*. You and TerraForm acknowledge that this letter does not constitute a contract of employment and that your employment continues to be with SunEdison. This letter is personal to you and you will not have any right to transfer (other than to your beneficiaries in case of your death), assign, pledge, alienate or create a lien upon this letter or any rights hereunder. Any payments under this letter are unfunded and unsecured and payable out of the general funds of TerraForm.

(b) *Splitting of Costs; Employment by TerraForm Global, Inc.* It is understood that, should you become employed by TerraForm, it is anticipated that you may also be performing duties for TerraForm Global, Inc. (***"Global"***). You hereby agree that you shall perform all such duties as directed, and Global hereby agrees to share with TerraForm the financial obligations of TerraForm hereunder as set forth above, in whatever manner and proportion TerraForm and Global may determine in their discretion. Further, should you become employed solely by Global, you and TerraForm agree, and Global also agrees, that this letter agreement will be assigned by TerraForm to Global, and Global shall assume any financial obligations of TerraForm hereunder not already performed by TerraForm.

(c) *Amendments and Waivers*. Any provision of this letter may be amended or waived but only if the amendment or waiver is in writing and signed by TerraForm (and, in the case of an amendment, by you).

(d) *Taxes*. Any payments hereunder will be subject to applicable taxes and withholdings.

(e) *Section 409A*. Any payments made over time are to be treated as a series of separate payments for purposes of Section 409A of the Internal Revenue Code of 1986, as amended ("***Section 409A***"). If and to the extent any portion of any payment, compensation or other benefit provided to you in connection with your employment termination is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and you are a specified employee as defined in Section 409A(a)(2)(B)(i), as determined by your employer in accordance with its procedures, by which determination you hereby agree that you are bound, such portion of the payment, compensation or other benefit shall not be paid before the earlier of (i) the expiration of the six month period measured from the date of your "***separation from service***" (as determined under Section 409A) or (ii) the tenth day following the date of your death following such separation from service (the "***New Payment Date***"). The aggregate of any payments that otherwise would have been paid to you during the period between the date of separation from service and the New Payment Date shall be paid to you in a lump sum in the first payroll period beginning after such New Payment Date, and any remaining payments will be paid on their original schedule. This Agreement is intended to comply with the provisions of Section 409A and this Agreement shall, to the extent practicable, be construed in accordance therewith. Terms defined in this Agreement will have the meanings given such terms under Section 409A if and to the extent required to comply with Section 409A. *In any event, TerraForm makes no representations or warranty and will have* *no liability to you or any other person if any provisions of or payments under this Agreement are determined to constitute deferred compensation subject to Code Section 409A but not to satisfy the conditions of that section.*

(f) *Governing Law*. The laws of the State of Delaware applicable to agreements to be performed entirely within such State govern all matters arising out of or relating to this letter, including its interpretation, construction, performance and enforcement.

(g) *Disability*. Your ceasing to be employed by either SunEdison or a TerraForm Company, as may be applicable, as a result of your disability (as defined in your employer's long-term disability coverage) will be treated for all purposes under this letter as though you had resigned and, where applicable, the resignation was without Good Reason.

(h) *Entire Agreement*. This letter sets forth the entire agreement between the parties with respect to the subject matter hereof, and fully supersedes any and all prior agreements, understandings, or representations between the parties pertaining to the subject matter of this letter other than any retention agreements. For the avoidance of doubt, agreements covering you and related to equity compensation from SunEdison, TerraForm or TerraForm Global, Inc. are not superseded by this letter.

(i) *Counterparts*. This letter may be executed as counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement.

* * *

Signatures on Following Page

Very truly yours,

Peter Blackmore
Interim Chief Executive Officer

Acknowledged and Agreed:

/s/ Rebecca Cranna____________________
Rebecca Cranna

30 August, 2016________________________Date

Acknowledged and Agreed by TerraForm Global, Inc. with respect to Section 3(b) only:

/s/ Peter Blackmore____________________
Peter Blackmore
Interim Chief Executive Officer

August 30, 2016________________________Date

Exhibit 10.47

December 12, 2016

Ms. Rebecca Cranna
Chief Financial Officer
TerraForm Power, Inc.
7550 Wisconsin Avenue, 9th Floor
Bethesda, MD 20814

Dear Ms. Cranna,

This notice serves to inform you that the relevant committee of the TerraForm Power Board of Directors has approved the Company to pay the 2016 bonuses by March 15, 2017.

Your current bonus target is 60% (plus 12.5% as a bonus enhancement for 2016) with a maximum of 120% of your annual base salary.

In appreciation of your great efforts to support the Company, except in case you voluntarily resign from SunEdison, do not accept an offer of employment by the Company or one of its affiliates, voluntarily resign from the Company or its relevant affiliate after you become its employee, or are dismissed for Cause (as defined in TerraForm Power's Amended and Restated 2014 Long-Term Incentive Plan), we hereby confirm that you will receive your bonus at least at your target level by March 15, 2017.

Nothing in this letter creates an employment contract or affects your status (once you join the Company) as an at-will employee (subject to the terms of any written employment agreement to the contrary). Your becoming a Company employee is also subject to compliance with applicable law.

Please reach out to the Human Resources department if you have any questions regarding the 2016 Variable Compensation Plan or payment.

Sincerely,

/s/ Peter Blackmore
Peter Blackmore
Chairman and Interim Chief Executive Officer

Exhibit 10.48

December 20, 2016

Rebecca Cranna
6326 Lakeview Drive
Falls Church, VA 22041

Dear Rebecca,

We are pleased to confirm our offer for you to join TerraForm Power, Inc. (collectively with affiliated construction companies, the "Company") in the position of Executive Vice President and Chief Financial Officer. We have given this decision considerable thought and are pleased to offer you this key position on our team. You will be working out of our office in Bethesda, Maryland. We plan to build on the experience and expertise of a strong, diversified work force and look forward to continuing to grow the Company as the leader in the field of renewable energy. Your scheduled start date will be December 18, 2016. As discussed, you will report directly to Peter Blackmore, Chief Executive Officer. Some travel may be expected as part of your job duties. Please note that the offer contained in this letter will be effective for five (5) days. The Company will maintain your seniority date of January 1, 1992, based on your length of service with SunEdison.

BASE SALARY

Your annual base salary compensation will be $401,144.75, payable bi-weekly in accordance with our standard payroll practices and subject to all appropriate withholdings.

BONUS PROGRAM

You will be eligible to participate in the Company's Variable Compensation plan (cash incentive plan), with a target of 60% and maximum of 120%. Payments under the plan are dependent upon a combination of the Company's financial performance and your personal performance. Payments under the plan may also be subject to approval by the TerraForm Board of Directors. The Company reserves the right to change, alter, modify or delete any provisions of the cash incentive plan at any time, with or without prior notice provided that no such change shall take effect until January 1 of the calendar year following that in which it is made. For the 2016 plan year, no modifications will be made to your target or maximum percentages.

For the 2016 bonus payment, please refer to the letter dated December 12, 2016 included with this offer.

For 2016, you will also be eligible for an additional bonus (the "Bonus Enhancement") with a target of 12.5% and a maximum of 25% of your base salary, based on performance relative to objectives.

SERVICES TO TERRAFORM GLOBAL
The Company understands that you currently also provide services to TerraForm Global Inc. ("GLBL") in your capacity as Executive Vice President and Chief Financial Officer. If your services to GLBL cease, your compensation from the Company will not be adversely affected.

REVIEW
Your performance will generally be reviewed annually. Based on the results of each review, you may be eligible for a salary adjustment. However, the Company also reserves the right to change your compensation from time to time upon reasonable notice.

BENEFITS PROGRAM
Once you begin your employment with us, you will be entitled to participate, on the same terms and conditions as other full-time Company employees, in benefits which may be authorized, revised, changed and adopted from time to time by the Company. Your eligibility to participate in any of the Company benefits is subject to the terms and conditions of those respective plans. More information about benefits is included in the Employee Handbook.

PAID TIME OFF AND HOLIDAYS
Your time spent with SunEdison will count towards your paid time off and total length of service with the Company, calculated from January 1, 1992. You will be entitled to twenty-nine (29) days paid time off per year, accruing at 8.923 hours per pay period. After thirty (30) years of employment, you will be entitled to thirty three (33) days paid time off per year, accruing at 10.461 hours per pay period.

Additionally, you will be eligible for ten (10) paid Holidays in accordance with our Company policy.

CODE OF CONDUCT
As an employee, you are required to conform to the policies and procedures of the Company, to meet our expectations of high ethical and professional demeanor and to understand your obligations to carry out your responsibilities in accordance with the Company's general rules of conduct.

ENTIRE AGREEMENT
This letter agreement supersedes all prior understandings, whether written or oral, relating to the terms and conditions of your employment with the Company, with the exception of: (i) the December 12, 2016 bonus payment referenced on the first page of this letter and PTO transfer letter of the same date, (ii) the Company's April 7, 2016 letter to you regarding retention incentives, (iii) the Company's and TerraForm Global, lnc.'s July 5, 2016 letters to you regarding accelerated vesting (as such may have been updated or replaced), (iv) Sections 1(b), 1(c), fourth sentence of 2(a) regarding unreimbursed expenses, 3(b), 3(e), 3(f) and 3(g) of the Company's August 24, 2016 letter to you regarding severance protections and compensation terms, and (v)

any equity grants you may have received. Further, no payments or accelerated vesting pursuant to the letters referenced in clauses (ii) and (iii) of the preceding sentence shall reduce any payments due to you (x) hereunder or (y) under the retained provisions of the letter referenced in clause (iv).

AMENDMENTS AND WAIVERS
Any provision of this letter agreement may be amended or waived, but only if the amendment or waiver is signed by the Company (and, in the case of an amendment, by you).

TAXES
Any payments hereunder will be subject to applicable taxes and withholdings.

EMPLOYMENT AT WILL
Employment at our Company is a voluntary, "employment-at-will" relationship, as this letter does not constitute a guarantee that your employment will continue for any specified period of time or end only under certain conditions. Nothing in this letter constitutes an expressed or implied contract of employment or warranty of any benefits.

This offer is contingent upon: (1) signing of TerraForm's standard confidentiality agreement and (2) your submission of documents sufficient for the Company to verify that you have the right to work in the United States.

By accepting this offer of employment, you acknowledge you will resign from SunEdison prior to the commencement of your employment with TerraForm.

CONGRATULATIONS!
We believe that our Company provides every employee with challenges and opportunities to grow professionally in a fast-paced environment that encourages both individual and team contribution. We are confident your employment with us will prove mutually beneficial, and are delighted to have you join the team!

Very truly yours,

/s/ Peter Blackmore
Peter Blackmore
Chairman and Interim Chief Executive Officer

Enclosures

Please sign your name and date as to your acceptance of this offer as stated above, and return this letter to Jason Mahaney, at 7550 Wisconsin Ave, 9th Floor, Bethesda, MD 20814. You can also email this letter to jmahaney@terraform.com. This will confirm your acceptance and representation that you are not bound by any agreements, contracts or commitments which would, in any way, limit your performance and contributions in the position we are offering. Thank you.

/s/ Rebecca Cranna	December 20, 2016
Signature	Date

Exhibit 10.49

CONFIDENTIAL

December 20, 2016

Ms. Rebecca Cranna
Chief Financial Officer
TerraForm Power, Inc.
7550 Wisconsin Avenue, 9th Floor
Bethesda, MD 20814

Re: Vesting of Restricted Shares and/or Restricted Stock Units - Updated

Dear Ms. Cranna:

TerraForm Power, Inc. ("*We*" or "*TerraForm*") very much appreciates the services you have been performing to support our operations. Our board of directors has therefore decided to grant you additional rights under any Restricted Stock Award Agreement or Restricted Stock Unit Agreement (each, an "*Existing Grant Agreement*") in effect as of today (the "*Amendment Effective Date*") between you (the "*Participant*") and TerraForm under TerraForm's 2014 Long-Term Incentive Plan, as in effect and as may be amended from time to time (the "*Plan*"). All capitalized terms used but not defined in this letter shall have the meaning assigned to them in the relevant Existing Grant Agreement or the Plan.

1. Additional Accelerated Vesting Event

The following shall be added as a new subsection at the end of the section of each Existing Grant Agreement entitled "Vesting":

> "Notwithstanding provisions of this Agreement requiring forfeiture on certain employment terminations, if the Participant (i) (1) is Terminated without Cause by, or resigns for Good Reason from, SunEdison or its relevant Affiliate (together, the "*SunEdison Companies*"), and (2) immediately notifies TerraForm in writing of such termination or resignation, but does not promptly receive an offer of employment from TerraForm Power, Inc., TerraForm Global, Inc. or one of their Affiliates (together, the "*TerraForm Companies*") for an equivalent position and at least equivalent compensation opportunity (each determined in TerraForm's reasonable discretion) (an "*Equivalent Employment Offer*") and does not then become employed by a TerraForm Company or (ii) has become an employee of a TerraForm Company and is thereafter Terminated without Cause by, or resigns for Good Reason from, such TerraForm Company, one hundred percent (100%) of the unvested shares of Restricted Stock or unvested RSUs, as applicable, shall immediately and provisionally vest and the remaining unvested shares of Restricted Stock or unvested RSUs, as applicable, shall be immediately forfeited, provided that such accelerated vesting shall be provisional, and require that the Participant execute a separation and release of claims agreement in favor of the TerraForm Companies as described below in this subsection.
>
> For the avoidance of doubt, (1) if the Participant accepts an offer of employment from a TerraForm Company and stays employed by such TerraForm Company until the relevant Vesting Date, no Termination shall be deemed to have occurred, and no unvested shares of Restricted Stock or unvested RSUs, as applicable, shall be forfeited, notwithstanding any brief interruption of employment caused by such change in employment from the SunEdison Companies to the TerraForm Companies and notwithstanding any time periods during which the Participant performs services to any of the TerraForm Companies as an employee or contractor of a temporary

employment company which the relevant TerraForm Company has retained for such purpose, (2) a Termination resulting from a reduction in force shall not be deemed a termination for Cause (unless the Participant is actually terminated for Cause), (3) a resignation (other than for Good Reason and other than to accept employment at a TerraForm Company) by the Participant from a SunEdison Company or a TerraForm Company, or a Termination of employment by a SunEdison Company or a TerraForm Company for Cause, shall result in the immediate forfeiture of any unvested Restricted Stock or unvested RSUs, as applicable, provided that nothing in this subsection shall limit or otherwise affect the discretion of the Compensation Committee of TerraForm's board of directors (the "Committee") to accelerate vesting hereunder, or any other provision herein that may provide for accelerated vesting. Nothing in this subsection is intended to override any more complete vesting based on a Change in Control that this Agreement may provide.

TerraForm's obligation to recognize the provisional vesting under this Agreement is subject (a) to the Participant's signing a separation and release of claims agreement (the "TerraForm Release") on a form with customary terms to be supplied by TerraForm at or promptly following the date of termination (which shall include, among other provisions, a release of claims in favor of the TerraForm Companies, confirmation of continued compliance with restrictive covenants, and post-employment cooperation), which release becomes enforceable within 60 days (or such shorter period as the release then specifies) following the date of termination, and (b) to the Participant's meeting in full the Participant's obligations under any restrictive covenants agreements in effect between the Participant and the TerraForm Companies.

The portion of each award under an Existing Grant Agreement for which vesting is accelerated by this subsection will only become fully vested if and when the Participant satisfies the release requirements, and any such provisionally vested portion will be forfeited retroactively to the Participant's date of termination if the Participant either notifies TerraForm that he or she will not execute or will revoke the TerraForm Release or the period for providing the TerraForm Release expires without the Participant's complying with the release requirements. TerraForm may choose instead to provide to the Participant any provisionally vested portions of these awards, subject to the Participant's undertaking to repay TerraForm in the manner determined by the Committee at such time if the Participant fails to satisfy the release requirements thereafter.

In addition, and notwithstanding any other provision in any Existing Grant Agreement or the Plan, if you leave employment with SunEdison or any of its Affiliates and become an employee of TerraForm Global, LLC or any of its Affiliates designated to provide services to TerraForm Global and its subsidiaries (such employing entity "GLBL"), and remain so employed at the time GLBL ceases to be an Affiliate of the Company, then the provisions in this Agreement relating to a Change of Control shall apply as if you were an employee of the Company at the time of such a Change of Control, and all unvested shares of Restricted Stock or unvested RSUs, as applicable, shall immediately vest.

Notwithstanding the foregoing, to the extent permitted by the equity plan under which such an award was granted, nothing in this Agreement shall preclude TerraForm from accelerating the vesting of any or all such awards to an earlier period."

2. General Provisions

(a) *Entire Agreement*. Upon your acknowledgement and acceptance hereof, this letter replaces and supersedes in its entirety the letter relating to Vesting of Restricted Shares and/or Restricted Stock Units from us dated July 5, 2016 (the "July 5 Letter"). This letter modifies the terms of certain specified awards pursuant to Existing Grant Agreements and sets forth the entire agreement between the parties with respect to the subject matter hereof, and fully supersedes any and all prior agreements, understandings, or representations between the parties pertaining to the subject matter of this letter. For the avoidance of doubt, except for the July 5 Letter, this letter does not supersede the terms of equity agreements and plans that, as modified where applicable, are referenced herein, and the definitions of Cause and Good Reason used herein are only to be applied to the vesting of the awards under the Existing Grant Agreements.

(b) *No Other Amendments.* Except as expressly set forth in this letter agreement, the Existing Grant Agreements shall remain in full force and effect and shall not be deemed amended or modified in any way.

(c) *Governing Law.* All questions concerning the construction, validity and interpretation of this letter agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof.

(d) *Counterparts*. This letter may be executed as counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement.

(e) *Severability*. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

(f) *No Right to Employment*. Nothing in this Agreement shall interfere with or limit in any way the right of any SunEdison Company or any TerraForm Company to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

(g) *Binding Agreement; Assignment*. This letter agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except in accordance with the provisions of the Existing Grant Agreements) any part of this Agreement without the prior express written consent of the Company.

* * *

Very truly yours,

/s/ Peter Blackmore________
TerraForm Power, Inc.
Peter Blackmore
Chairman and Interim Chief Executive Officer

Acknowledged and agreed:

/s/ Rebecca Cranna__________
Name: Rebecca Cranna

Exhibit 10.50

CONFIDENTIAL

April 10, 2017

Rebecca Cranna
TerraForm Power, Inc.
7550 Wisconsin Avenue, 9th Floor
Bethesda, Maryland 20814

Re: Retention Award

Dear Rebecca Cranna,

TerraForm Power, Inc. (together with its affiliates, "*TerraForm*") has selected you to receive a special retention award to encourage you to remain employed by TerraForm through and beyond the successful closing of the transaction with Brookfield Asset Management pursuant to the Merger and Sponsorship Transaction Agreement by and among TerraForm Power, Inc., Orion US Holdings 1 L.P. and BRET ERP Holdings Inc. dated as of March 6, 2017 (the "*Transaction*").

1. Your Retention Award

(a) *The Amount of Your Award*. Subject to the terms and conditions set forth below, you will receive a cash retention award of USD $401,144.75 (your "*Retention Award*").

(b) *Vesting and Forfeiture*. Seventy five percent (75%) of your Retention Award will vest on the consummation of the Transaction with Brookfield Asset Management and the remaining twenty five percent (25%) will vest ninety (90) days following the consummation of the Transaction (each of the Transaction consummation and the ninety days following, a "*Vesting Date*"). To receive the relevant portion of your Retention Award, you must be employed by TerraForm on the applicable Vesting Date. If the Transaction has not closed by March 31, 2018, one hundred percent (100%) of you Retention Award will vest on that date.

(c) *Accelerated Vesting of Your Award*. You will remain entitled to receive any unpaid portion of your Retention Award if TerraForm terminates your employment without Cause (as defined below) on a date that occurs before an applicable Vesting Date. TerraForm's obligation to recognize the accelerated vesting following a termination without Cause is subject to signing a separation and release of claims agreement (the "TerraForm Release") on a form with customary terms to be supplied by TerraForm at or promptly following the date of termination.

(d) *Payment*. The relevant portion of your Retention Award that is not forfeited will be payable to you as soon as practicable following the applicable Vesting Date, but in any event within thirty days following that Vesting Date.

(e) *Cause*. For purposes of this letter, "*Cause*" means your (1) continued failure to substantially perform your duties to TerraForm; (2) conviction of, or plea of guilty or *nolo contendere* to, a felony; (3) engaging in illegal conduct or gross misconduct that causes financial or reputational harm to TerraForm; or (4) engaging in fraud in connection with the business of TerraForm or misappropriation of TerraForm's funds or property. TerraForm shall determine in its discretion whether your employment with TerraForm was terminated for Cause, and you agree that, in consideration of this letter, any such determination shall be binding on you.

2. General Provisions

(a) *Not a Contract of Employment; No Assignment*. You and TerraForm acknowledge that this letter does not constitute a contract of employment with TerraForm. This letter is personal to you and you will not have any right to transfer, assign, pledge, alienate or create a lien upon this letter or any rights hereunder. The Retention Award is unfunded and unsecured and payable out of the general funds of TerraForm.

(b) *Amendments and Waivers*. Any provision of this letter may be amended or waived but only if the amendment or waiver is in writing and signed by TerraForm (and, in the case of an amendment, by you).

(c) *Taxes*. The Retention Award shall be subject to withholding and other taxes as required under applicable law.

(d) *Governing Law*. The laws of the State of Delaware applicable to agreements to be performed entirely within the State of Delaware govern all matters arising out of or relating to this letter, including its interpretation, construction, performance and enforcement.

(e) *Entire Agreement*. This letter sets forth the entire agreement between the parties with respect to the subject matter hereof, and fully supersedes any and all prior agreements, understandings, or representations between the parties pertaining to a retention bonus for 2017.

(f) *Counterparts*. This letter may be executed as counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement.

* * *

Very truly yours,

/s/ Peter Blackmore

Peter Blackmore

Chairman and Interim Chief Executive Officer

Exhibit 10.51

CONFIDENTIAL

April 7, 2016

Mr. Sebastian Deschler
Senior Vice President and General Counsel
TerraForm Power, Inc.
7550 Wisconsin Avenue, 9th Floor
Bethesda, Maryland 20814

Re: Retention Award

Dear Sebastian Deschler:

TerraForm Power, Inc. ("*TerraForm*") has selected you to receive a special retention award to encourage you to remain employed by SunEdison, Inc. ("*SunEdison*") through March 31, 2017.

1. Your Retention Award

(a) *The Amount of Your Award*. Subject to the terms and conditions set forth below, you will receive a cash retention award of $216,930.00 (your "*Retention Award*").

(b) *Vesting and Forfeiture*. A third of your Retention Award will vest on May 31, 2016, a third will vest on September 30, 2016 and the remaining third will vest on March 31, 2017 (each of May 31, 2016, September 30, 2016 and March 31, 2017 a "*Vesting Date*"). To receive the relevant third of your Retention Award, you must be employed by SunEdison on the applicable Vesting Date.

(c) *Extension of Your Award*. You will remain entitled to receive any unpaid portion of your Retention Award if SunEdison terminates your employment without Cause (as defined below) before an applicable Vesting Date and either (1) you accept an offer of employment from TerraForm Power, Inc., TerraForm Global, Inc. or an affiliate (together, the "*TerraForm Companies*") for an equivalent position and at least equivalent compensation (each determined in TerraForm's reasonable discretion) and remain employed through the applicable Vesting Date or (2) no TerraForm Company offers you employment at an equivalent position. You must inform TerraForm promptly of a termination without Cause to be eligible for this extension of your Retention Award. For the avoidance of doubt, if you terminate your employment with SunEdison for any reason, your employment is terminated for Cause by SunEdison or your employment is terminated by SunEdison without Cause and you do not inform TerraForm promptly, in each case, before a Vesting Date, then your unpaid Retention Award will be forfeited and you will have no right to any payment in respect of it.

(d) *Payment*. The relevant third of your Retention Award will be payable to you as soon as practicable following the applicable Vesting Date, but in any event within thirty days of that Vesting Date.

(e) *Cause*. For purposes of this letter, "*Cause*" means your: (1) continued failure to substantially perform your duties to SunEdison (or the TerraForm Companies for the period you are providing services to them under the relevant Management Services Agreement); (2) conviction of, or plea of guilty or *nolo contendere* to, a felony; (3) engaging in illegal conduct or gross misconduct that causes financial or reputational harm to SunEdison or any of the TerraForm Companies; or (4) engaging in fraud in connection with the business of SunEdison or any TerraForm Company or misappropriation of SunEdison's or any TerraForm Company's funds or property. TerraForm shall determine in its discretion whether your employment with SunEdison was terminated for Cause, and you agree that, in consideration of this letter, any such determination shall be binding on you.

2. General Provisions

(a) *Not a Contract of Employment; No Assignment*. You and TerraForm acknowledge that this letter does not constitute a contract of employment with any TerraForm Company and that your employment continues to be with SunEdison. This letter is personal to you and you will not have any right to transfer, assign, pledge, alienate or create a lien upon this letter or any rights hereunder. The Retention Award is unfunded and unsecured and payable out of the general funds of TerraForm.

(b) *Amendments and Waivers*. Any provision of this letter may be amended or waived but only if the amendment or waiver is in writing and signed by TerraForm (and, in the case of an amendment, by you).

(c) *Taxes*. TerraForm will not withhold any federal, state or local taxes from the Retention Award (unless you become an employee of TerraForm). You hereby acknowledge that you will be responsible for the payment and remittance of any such taxes that are applicable to the Retention Award.

(d) *Governing Law*. The laws of the State of Delaware applicable to agreements to be performed entirely within the State of Delaware govern all matters arising out of or relating to this letter, including its interpretation, construction, performance and enforcement.

(e) *Entire Agreement*. This letter sets forth the entire agreement between the parties with respect to the subject matter hereof, and fully supersedes any and all prior agreements, understandings, or representations between the parties pertaining to the subject matter of this letter.

(f) *Counterparts*. This letter may be executed as counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement.

* * *

Very truly yours,

/s/ Peter Blackmore

Peter Blackmore
The Office of the Chairman of TerraForm Power and TerraForm Global

Exhibit 10.52

CONFIDENTIAL

July 5, 2016

Mr. Sebastian Deschler
General Counsel, TerraForm Power
TerraForm Power, Inc.
7550 Wisconsin Avenue, 9th Floor
Bethesda, MD 20814

Re: Vesting of Restricted Shares and/or Restricted Stock Units

Dear Mr. Deschler:

TerraForm Power, Inc. ("*We*" or "*TerraForm*") very much appreciates the services you have been performing to support our operations. Our board of directors has therefore decided to grant you additional rights under any Restricted Stock Award Agreement or Restricted Stock Unit Agreement (each, an "*Existing Grant Agreement*") in effect as of today (the "*Amendment Effective Date*") between you (the "*Participant*") and TerraForm under TerraForm's 2014 Long-Term Incentive Plan, as in effect and as may be amended from time to time (the "*Plan*"). All capitalized terms used but not defined in this letter shall have the meaning assigned to them in the relevant Existing Grant Agreement or the Plan.

1. Additional Accelerated Vesting Event

The following shall be added as a new subsection at the end of the section of each Existing Grant Agreement entitled "Vesting":

> "Notwithstanding provisions of this Agreement requiring forfeiture on certain employment terminations, if the Participant (i) (1) is Terminated without Cause by, or resigns for Good Reason from, SunEdison or its relevant Affiliate (together, the "*SunEdison Companies*"), and (2) immediately notifies TerraForm in writing of such termination or resignation, but does not promptly receive an offer of employment from TerraForm Power, Inc., TerraForm Global, Inc. or one of their Affiliates (together, the "*TerraForm Companies*") for an equivalent position and at least equivalent compensation opportunity (each determined in TerraForm's reasonable discretion) (an "*Equivalent Employment Offer*") and does not then become employed by a TerraForm Company or (ii) has become an employee of a TerraForm Company and is thereafter Terminated without Cause by, or resigns for Good Reason from, such TerraForm Company, one hundred percent (100%) of the unvested shares of Restricted Stock or unvested RSUs, as applicable, shall immediately and provisionally vest and the remaining unvested shares of Restricted Stock or unvested RSUs, as applicable, shall be immediately forfeited, provided that such accelerated vesting shall be provisional,

and require that the Participant execute a separation and release of claims agreement in favor of the TerraForm Companies as described below in this subsection.

For the avoidance of doubt, (1) if the Participant accepts an offer of employment from a TerraForm Company and stays employed by such TerraForm Company until the relevant Vesting Date, no Termination shall be deemed to have occurred, and no unvested shares of Restricted Stock or unvested RSUs, as applicable, shall be forfeited, notwithstanding any brief interruption of employment caused by such change in employment from the SunEdison Companies to the TerraForm Companies and notwithstanding any time periods during which the Participant performs services to any of the TerraForm Companies as an employee or contractor of a temporary employment company which the relevant TerraForm Company has retained for such purpose, (2) a Termination resulting from a reduction in force shall not be deemed a termination for Cause (unless the Participant is actually terminated for Cause), (3) a resignation (other than for Good Reason and other than to accept employment at a TerraForm Company) by the Participant from a SunEdison Company or a TerraForm Company, or a Termination of employment by a SunEdison Company or a TerraForm Company for Cause, shall result in the immediate forfeiture of any unvested Restricted Stock or unvested RSUs, as applicable, provided that nothing in this subsection shall limit or otherwise affect the discretion of the Compensation Committee of TerraForm's board of directors (the "*Committee*") to accelerate vesting hereunder, or any other provision herein that may provide for accelerated vesting. Nothing in this subsection is intended to override any more complete vesting based on a Change in Control that this Agreement may provide.

TerraForm's obligation to recognize the provisional vesting under this Agreement is subject (a) to the Participant's signing a separation and release of claims agreement (the "TerraForm Release") on a form with customary terms to be supplied by TerraForm at or promptly following the date of termination (which shall include, among other provisions, a release of claims in favor of the TerraForm Companies, confirmation of continued compliance with restrictive covenants, and post-employment cooperation,), which release becomes enforceable within 60 days (or such shorter period as the release then specifies) following the date of termination, and (b) to the Participant's meeting in full the Participant's obligations under any restrictive covenants agreements in effect between the Participant and the TerraForm Companies and, to the extent benefiting the TerraForm Companies, any such agreements in effect between the Participant and SunEdison.

The portion of each award under an Existing Grant Agreement for which vesting is accelerated by this subsection will only become fully vested if and when the Participant satisfies the release requirements, and any such provisionally vested portion will be forfeited retroactively to the Participant's date of termination if the Participant either notifies TerraForm that he or she will not execute or will revoke the TerraForm Release or the period for providing the TerraForm Release expires without the Participant's complying with the release requirements. TerraForm may choose instead to provide to the Participant any provisionally vested portions of these awards, subject to the Participant's undertaking to repay TerraForm in the manner determined by the Committee at such time if the Participant fails to satisfy the release requirements thereafter. Notwithstanding the foregoing, to the extent permitted by the equity plan under which such an award was granted, nothing in this Agreement shall preclude TerraForm from accelerating the vesting of any or all such awards to an earlier period."

2. General Provisions

(a) *Entire Agreement*. This letter modifies the terms of certain specified awards pursuant to Existing Grant Agreements and sets forth the entire agreement between the parties with respect to the subject matter hereof, and fully supersedes any and all prior agreements, understandings, or representations between the parties pertaining to the subject matter of this letter. For the avoidance of doubt, this letter does not supersede the terms of equity agreements and plans that, as modified where applicable, are referenced herein, and the definitions of Cause and Good Reason used herein are only to be applied to the vesting of the awards under the Existing Grant Agreements.

(b) *No Other Amendments*. Except as expressly set forth in this letter agreement, the Existing Grant Agreements shall remain in full force and effect and shall not be deemed amended or modified in any way.

(c) *Governing Law*. All questions concerning the construction, validity and interpretation of this letter agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof.

(d) *Counterparts*. This letter may be executed as counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement.

(e) *Severability*. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

(f) *No Right to Employment*. Nothing in this Agreement shall interfere with or limit in any way the right of any SunEdison Company or any TerraForm Company to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

(g) *Binding Agreement; Assignment*. This letter agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except in accordance with the provisions of the Existing Grant Agreements) any part of this Agreement without the prior express written consent of the Company.

* * *

Very truly yours,

/s/ Peter Blackmore
TerraForm Power, Inc.
Peter Blackmore
Chairman and Interim Chief Executive Officer

Acknowledged and agreed:

/s/ Sebastian Deschler
Name: Sebastian Deschler

Exhibit 10.53

August 24, 2016

Sebastian Deschler
TerraForm Power, Inc.
7550 Wisconsin Avenue, 9th Floor
Bethesda, Maryland 20814

Re: Severance Protections and Compensation Terms

Dear Mr. Deschler:

TerraForm Power, Inc. ("***TerraForm***") has selected you to receive special protections to encourage you to remain employed by SunEdison, Inc. or a subsidiary thereof (together, "***SunEdison***") or, as may become applicable, TerraForm or a subsidiary thereof. This letter sets forth our agreement with respect to (i) TerraForm's agreement to employ you at-will if your employment with SunEdison is terminated under certain circumstances, (ii) the severance protections that TerraForm will provide for you if you become its employee, (iii) salary compensation with respect to 2016 that TerraForm will provide to you should you cease employment with SunEdison and become a TerraForm employee, and (iv) bonus compensation effective January 1, 2016 that TerraForm will provide to you regardless of whether you remain employed with SunEdison or become employed with TerraForm at any time. "Cause" and other capitalized terms used but not defined herein have the meanings assigned to them in the TerraForm Power, Inc. 2014 Second Amended and Restated Long-Term Incentive Plan.

1. Your Employment and Severance Protection

(a) *SunEdison Termination*. If, prior to the first anniversary of the date of this letter agreement, SunEdison terminates your employment without Cause or you resign from SunEdison for Good Reason, TerraForm shall offer you employment as of the effective date of such termination and your employment shall be transferred to TerraForm as of that date, provided you consent to such transfer. Such employment shall be at-will, and pursuant to the terms set forth in Section 2 below. For purposes of this letter, "***Good Reason***" means (i) any action by the company that then employs you that results in a material adverse change in your reporting relationship, authority, duties or responsibilities; *provided*, *however*, that the fact that your employer has become a subsidiary of another company or that the securities of your employer are no longer publicly traded, shall not be taken into account when determining whether a material adverse change in your authority, duties or responsibilities has occurred; (ii) any material reduction in your base salary or any materially adverse change in the percentage of your base salary used to determine your annual bonus opportunity (where a "***material reduction***" or "***materially adverse change***" would be a reduction of the relevant compensation or percentage by 10% or more); or (iii) your employer requires you to be based (excluding temporary assignments and business travel) at any office or location that is more than 50 miles distant from your base office or work location immediately prior to relocation, except if such new location is closer to your residence at the time such requirement is imposed. Notwithstanding the occurrence of any such event or circumstance, such occurrence shall not be deemed to constitute Good Reason unless (x) you give your employer the notice of termination no more than 90 days after the initial existence of such event or circumstance, (y) such event or circumstance has not been fully corrected within 30 days of your employer's receipt of such notice and (z) the date of termination occurs within 30 days following the end of the correction period if the Good Reason has not been corrected.

(b) *TerraForm Severance and Effect of Transfer*. If, with your consent, your employment is transferred to or you otherwise accept a position with TerraForm, you will not be eligible to receive any severance payment or benefit from TerraForm except as provided in Section 2(a) below. Notwithstanding the foregoing, however, if your employment is transferred pursuant to Section 1(a) above or you otherwise commence employment with TerraForm and you are later terminated without Cause or you resign from TerraForm for Good Reason or you die (each, an "***Eligible Termination Event***"), you will be eligible for the following severance benefits from TerraForm (the "***TerraForm Severance***"), in each case subject to your satisfying the requirements in Section 1(c) below.

(1) Cash severance equal to one year of your base salary in effect as of the Eligible Termination Event, payable in one lump sum in accordance with TerraForm's payroll procedures, as provided in Section 1(c) below; and

(2) A lump-sum payment equal to 12 months of COBRA health premiums.

(c) *Required Release; Payment Timing*. TerraForm's obligation to pay the TerraForm Severance is subject to your (i) signing a separation and release of claims agreement (the "***TerraForm Release***") with reasonable and customary terms (which shall include, without limitation, a release of claims in favor of TerraForm and its affiliates, confirmation of your continued compliance with restrictive covenants in effect on the date of termination, and reasonable post-employment cooperation obligations), substantially in a form to be provided by TerraForm (and subject to your agreement as to the form, which agreement cannot be unreasonably withheld) within 30 days following your signing this letter and then to be attached hereto as Exhibit B, which TerraForm Release becomes enforceable within 60 days (or such shorter period as the release then specifies) following the date of termination, and (ii) meeting in all material respects your obligations under any restrictive covenants agreements in effect between you and TerraForm and, to the extent benefiting TerraForm, any such agreements in effect between you and SunEdison or any other TerraForm affiliate. The TerraForm Severance shall be payable on the next regular payroll date following the date the TerraForm Release becomes effective and enforceable, provided that if the 60 day period for providing an enforceable release extends into a calendar year subsequent to the year containing the date of termination, payment shall be made no earlier than the first business day of such subsequent year.

(d) *No Impact on Retention Letter or Accelerated Vesting Letters.* For the avoidance of doubt, this letter agreement and TerraForm's commitments hereunder are separate from, and in addition to, any commitments made to you in the letter from TerraForm to you dated April 7, 2016 (the "***Retention Letter***") and the letters from TerraForm Power, Inc. and TerraForm Global, Inc. dated as of July 5, 2016 granting you certain additional rights under any Restricted Stock Award Agreement or Restricted Stock Unit Agreement you may have (the ***"Accelerated Vesting Letters")***, and no payments made or to be made to you pursuant to the Retention Letter or any accelerated vesting under the Accelerated Vesting Letters shall be considered part of any TerraForm Severance or otherwise reduce any payments due to you hereunder.

2. Compensation from TerraForm

(a) *Salary.* TerraForm will provide you the salary for 2016 described in this Section 2(a) if and when you become its employee and cease to be employed by SunEdison. Unless and until you become a TerraForm employee, TerraForm will have no obligation to provide the salary set forth below, and you will receive your salary under your arrangements with SunEdison. If and when you become a TerraForm employee, your base salary will be $11,180.24 per bi-weekly period, payable in accordance with TerraForm's standard payroll practices (currently bi-weekly) and subject to all appropriate withholdings, and annualizing to $290,686.16. If, at the time you become a TerraForm employee, SunEdison has failed to make any salary payments for 2016 owed to you with respect to your employment with SunEdison or has failed to reimburse any expenses that are consistent with its expense reimbursement policies (and does not make such payments in its final paycheck for you), TerraForm will

pay any such outstanding amount in a single additional payment within the first two pay periods following your becoming a TerraForm employee (or, for expenses, as soon thereafter as you have submitted any required substantiation).

(b) *Bonus.*

(i) *Basic and Enhanced Bonus*. Regardless of whether you remain employed by SunEdison or become an employee of TerraForm, you will be eligible to participate in an annual variable incentive plan of TerraForm effective as of January 1, 2016 (the "***VIP***"). The target amount under the VIP for your position is 75% of your base salary, with a minimum, assuming at least minimum performance relative to objectives is achieved, of 50% and a maximum of 100% of your base salary, depending on the extent target level performance is achieved. For 2016, you will be eligible for an additional bonus (the "***Bonus Enhancement***") with a target amount of 12.5% of your base salary, and a maximum of 25% of your base salary, based on performance relative to objectives. Payments under the VIP and the Bonus Enhancement are dependent upon a combination of TerraForm's financial performance and your personal performance (with the details to be set forth on an Exhibit C that will be attached hereto within 30 days following your signing this letter) and will be made to you by TerraForm. Payments under the VIP and the Bonus Enhancement will also be subject to approval by TerraForm's Board of Directors (the "***Board***") or its Compensation Committee (the "***Committee***"). The Committee (or the Board if it chooses to act) will have the discretion to determine whether you have achieved the TerraForm key objectives and your personal objectives in your performance for 2016. TerraForm expects to continue comparable bonus arrangements in 2017.

(ii) *Bonus Offsets and Timing Rules*. The VIP and the Bonus Enhancement will be calculated based on the sum of (x) your base salary from SunEdison while you remain its employee and (y) if you become TerraForm's employee, your base salary from TerraForm. Any amounts due by TerraForm to you under Section 2(b)(i) will be reduced by payments you receive under the same or similar bonus arrangements at SunEdison for the calendar year 2016. Payments under Section 2(b)(i) will be made to you no later than March 15, 2017.

(iii) *Required Employment and Reservation of Rights*. To receive any bonus under Section 2(b)(i), you must remain employed by either SunEdison or TerraForm through the date the bonuses are due to be paid or otherwise as set forth in the applicable bonus policy. TerraForm, acting through its Board or the Committee, reserves the right to change, alter, modify, or delete (each, a "***change***") any provisions of Section 2(b) at any time, with or without prior notice, provided that no such change shall take effect until January 1 of the calendar year following that in which it is made.

(c) *Paid Time Off.* If your employment is transferred pursuant to Section 1(a) above or you otherwise commence employment with TerraForm, TerraForm will also honor any unused and uncompensated paid time off that remained accrued for you by SunEdison (or is otherwise substantiated as remaining outstanding in the year of termination) at the date you become employed by TerraForm, up to an aggregate of 280 hours (but disregarding any limits on the termination date accruals caused by SunEdison's bankruptcy filing). TerraForm is in the process of developing its procedures for accrual, caps, and payment with respect to paid time off for its own employees. You will be treated in a manner consistent with the other similarly situated employees under such policies, including reimbursement for paid time off (to the extent accrued as described above) if you do not become employed by TerraForm.

(d) *Benefits.* You will be entitled to participate in any and all benefit programs that TerraForm establishes and makes available to its employees from time to time, provided that you are eligible under (and subject to all provisions of) the plan documents governing those programs. TerraForm will also reimburse you for your two daughters' school fees in an amount up to $20,000 per year (and will gross-up any such reimbursement amount for taxes withheld on such reimbursements, with a true-up between the parties in the following tax year for any additional or lower amounts actually incurred with respect to the reimbursement) for each daughter, upon receipt of documentation in accordance with TerraForm policy.

3. General Provisions

(a) *Not a Contract of Employment; No Assignment*. You and TerraForm acknowledge that this letter does not constitute a contract of employment and that your employment continues to be with SunEdison. This letter is personal to you and you will not have any right to transfer (other than to your beneficiaries in case of your death), assign, pledge, alienate or create a lien upon this letter or any rights hereunder. Any payments under this letter are unfunded and unsecured and payable out of the general funds of TerraForm.

(b) *Employment by TerraForm Global, Inc.* Should you become employed by TerraForm Global, Inc. ("***Global***"), you and TerraForm agree, and Global also agrees, that this letter agreement will be assigned by TerraForm to Global, and Global shall assume any financial obligations of TerraForm hereunder not already performed by TerraForm.

(c) *Amendments and Waivers*. Any provision of this letter may be amended or waived but only if the amendment or waiver is in writing and signed by TerraForm (and, in the case of an amendment, by you).

(d) *Taxes*. Any payments hereunder will be subject to applicable taxes and withholdings.

(e) *Section 409A*. Any payments made over time are to be treated as a series of separate payments for purposes of Section 409A of the Internal Revenue Code of 1986, as amended ("***Section 409A***"). If and to the extent any portion of any payment, compensation or other benefit provided to you in connection with your employment termination is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and you are a specified employee as defined in Section 409A(a)(2)(B)(i), as determined by your employer in accordance with its procedures, by which determination you hereby agree that you are bound, such portion of the payment, compensation or other benefit shall not be paid before the earlier of (i) the expiration of the six month period measured from the date of your "***separation from service***" (as determined under Section 409A) or (ii) the tenth day following the date of your death following such separation from service (the "***New Payment Date***"). The aggregate of any payments that otherwise would have been paid to you during the period between the date of separation from service and the New Payment Date shall be paid to you in a lump sum in the first payroll period beginning after such New Payment Date, and any remaining payments will be paid on their original schedule. This Agreement is intended to comply with the provisions of Section 409A and this Agreement shall, to the extent practicable, be construed in accordance therewith. Terms defined in this Agreement will have the meanings given such terms under Section 409A if and to the extent required to comply with Section 409A. *In any event, TerraForm makes no representations or warranty and will have no liability to you or any other person if any provisions of or payments under this Agreement are determined to constitute deferred compensation subject to Code Section 409A but not to satisfy the conditions of that section.*

(f) *Governing Law*. The laws of the State of Delaware applicable to agreements to be performed entirely within such State govern all matters arising out of or relating to this letter, including its interpretation, construction, performance and enforcement.

(g) *Disability*. Your ceasing to be employed by either SunEdison or TerraForm, as may be applicable, as a result of your disability (as defined in your employer's long-term disability coverage) will be treated for all purposes under this letter as though you had resigned and, where applicable, the resignation was without Good Reason.

(h) *Entire Agreement*. This letter sets forth the entire agreement between the parties with respect to the subject matter hereof, and fully supersedes any and all prior agreements, understandings, or representations between the parties pertaining to the subject matter of this letter other than any retention agreements. For the avoidance of doubt, agreements covering you and related to equity compensation from SunEdison, TerraForm or TerraForm Global, Inc. are not superseded by this letter.

(i) *Counterparts*. This letter may be executed as counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement.

* * *

Signatures on Following Page

Very truly yours,

/s/ Peter Blackmore
Peter Blackmore
Interim Chief Executive Officer

Acknowledged and Agreed:

/s/ Sebastian Deschler
Sebastian Deschler

August 25, 2016___________________Date

Acknowledged and Agreed by TerraForm Global, Inc. with respect to Section 3(b) only:

/s/ Peter Blackmore
Peter Blackmore
Interim Chief Executive Officer

_________________________________Date

Exhibit 10.54

December 12, 2016

Mr. Sebastian Deschler
General Counsel
TerraForm Power, Inc.
7550 Wisconsin Avenue, 9th Floor
Bethesda, MD 20814

Dear Mr. Deschler:

This notice serves to inform you that the relevant committee of the TerraForm Power Board of Directors has approved the Company to pay the 2016 bonuses by March 15, 2017.

Your 2016 bonus consists of a minimum of 50%, target of 75%, and a maximum of 100% of your annual base salary. For 2016, you are also eligible for a onetime bonus enhancement of 12.5% target and a 25% maximum.

In appreciation of your great efforts to support the Company, except in case you voluntarily resign from SunEdison, do not accept an offer of employment by the Company or one of its affiliates, voluntarily resign from the Company or its relevant affiliate after you become its employee, or are dismissed for Cause (as defined in TerraForm Power's Amended and Restated 2014 Long-Term Incentive Plan), we hereby confirm that you will receive your bonus at least at your target level by March 15, 2017.

Nothing in this letter creates an employment contract or affects your status (once you join the Company) as an at-will employee (subject to the terms of any written employment agreement to the contrary). Your becoming a Company employee is also subject to compliance with applicable law.

Please reach out to the Human Resources department if you have any questions regarding the 2016 Variable Compensation Plan or payment.

Sincerely,

/s/ Peter Blackmore
Peter Blackmore
Chairman and Interim Chief Executive Officer

Exhibit 10.55

December 20, 2016

Sebastian Deschler
5804 Surrey Street
Chevy Chase, MD 20815

Dear Sebastian,

We are pleased to confirm our offer for you to join TerraForm Power, Inc. (collectively with affiliated construction companies, the "Company") in the position of General Counsel. We have given this decision considerable thought and are pleased to offer you this key position on our team. You will be working out of our office in Bethesda, Maryland. We plan to build on the experience and expertise of a strong, diversified work force and look forward to continuing to grow the Company as the leader in the field of renewable energy. Your scheduled start date will be December 18, 2016. As discussed, you will report directly to Peter Blackmore, Chief Executive Officer. Some travel may be expected as part of your job duties. Please note that the offer contained in this letter will be effective for five (5) days. The Company will maintain your seniority date of December 18, 2007, based on your length of service with SunEdison.

BASE SALARY
Your annual base salary compensation will be $290,686.16, payable bi-weekly in accordance with our standard payroll practices and subject to all appropriate withholdings.

BONUS PROGRAM
You will be eligible to participate in the Company's Variable Compensation plan (cash incentive plan), with a target of 50% and maximum of 100%. Payments under the plan are dependent upon a combination of the Company's financial performance and your personal performance. Payments under the plan may also be subject to approval by the TerraForm Board of Directors. The Company reserves the right to change, alter, modify or delete any provisions of the cash incentive plan at any time, with or without prior notice provided that no such change shall take effect until January 1 of the calendar year following that in which it is made.

For the 2016 bonus payment, please refer to the letter dated December 12, 2016 included with this offer.

For 2016, you will also be eligible for an additional bonus (the "Bonus Enhancement") with a target of 12.5% and a maximum of 25% of your base salary, based on performance relative to objectives.

EDUCATION ASSISTANCE

The Company will assist you with the tuition costs of private education for your two children through the end of the 2019/2020 school year, and for such longer period as the Company may determine in its sole discretion, in an amount up to $20,000.00 per year for each daughter. The Company will gross-up any such reimbursement amount for taxes withheld on such reimbursements, with a true-up between the parties in the following tax year for any additional or lower amounts actually incurred with respect to the reimbursement. Proof of payment must be submitted to the Human Resources department in order for you to qualify for this assistance.

REVIEW
Your performance will generally be reviewed annually. Based on the results of each review, you may be eligible for a salary adjustment. However, the Company also reserves the right to change your compensation from time to time upon reasonable notice.

BENEFITS PROGRAM
Once you begin your employment with us, you will be entitled to participate, on the same terms and conditions as other full-time Company employees, in benefits which may be authorized, revised, changed and adopted from time to time by the Company. Your eligibility to participate in any of the Company benefits is subject to the terms and conditions of those respective plans. More information about benefits is included in the Employee Handbook.

PAID TIME OFF AND HOLIDAYS
Your time spent with SunEdison will count towards your paid time off and total length of service with the Company, calculated from December 18, 2007. You will be entitled to nineteen (19) days paid time off per year, accruing at 5.850 hours per pay period. After ten (10) years of employment, you will be entitled to twenty-four (24) days paid time off per year, accruing at 7.385 hours per pay period. After twenty (20) years of employment, you will be entitled to twenty-nine (29) days paid time off per year, accruing at 8.923 hours per pay period. After thirty (30) years of employment, you will be entitled to thirty three (33) days paid time off per year, accruing at 10.461 hours per pay period.

Additionally, you will be eligible for ten (10) paid Holidays in accordance with our Company policy.

CODE OF CONDUCT
As an employee, you are required to conform to the policies and procedures of the Company, to meet our expectations of high ethical and professional demeanor and to understand your obligations to carry out your responsibilities in accordance with the Company's general rules of conduct.

ENTIRE AGREEMENT
This letter agreement supersedes all prior understandings, whether written or oral, relating to the terms and conditions of your employment with the Company, with the exception of: (i) the

December 12, 2016 bonus payment referenced on the first page of this letter and PTO transfer letter of the same date, (ii) the Company's April 7, 2016 letter to you regarding retention incentives, (iii) the Company's and TerraForm Global, lnc.'s July 5, 2016 letters to you regarding accelerated vesting (as such may have been updated or replaced), (iv) Sections 1(b), 1(c), fourth sentence of 2(a) regarding unreimbursed expenses, 3(e), 3(f) and 3(g) of the Company's August 24, 2016 letter to you regarding severance protections and compensation terms, and (v) any equity grants you may have received. Further, no payments or accelerated vesting pursuant to the letters referenced in clauses (ii) and (iii) of the preceding sentence shall reduce any payments due to you (x) hereunder or (y) under the retained provisions of the letter referenced in clause (iv).

AMENDMENTS AND WAIVERS

Any provision of this letter agreement may be amended or waived, but only if the amendment or waiver is signed by the Company (and, in the case of an amendment, by you).

TAXES

Any payments hereunder will be subject to applicable taxes and withholdings.

EMPLOYMENT AT WILL

Employment at our Company is a voluntary, "employment-at-will" relationship, as this letter does not constitute a guarantee that your employment will continue for any specified period of time or end only under certain conditions. Nothing in this letter constitutes an expressed or implied contract of employment or warranty of any benefits.

This offer is contingent upon: (1) signing of TerraForm's standard confidentiality agreement and (2) your submission of documents sufficient for the Company to verify that you have the right to work in the United States.

By accepting this offer of employment, you acknowledge you will resign from SunEdison prior to the commencement of your employment with TerraForm.

CONGRATULATIONS!

We believe that our Company provides every employee with challenges and opportunities to grow professionally in a fast-paced environment that encourages both individual and team contribution. We are confident your employment with us will prove mutually beneficial, and are delighted to have you join the team!

Very truly yours,

/s/ Peter Blackmore

Peter Blackmore

Chairman and Interim Chief Executive Officer

Enclosures

Please sign your name and date as to your acceptance of this offer as stated above, and return this letter to Jason Mahaney, at 7550 Wisconsin Ave, 9th Floor, Bethesda, MD 20814. You can also email this letter to jmahaney@terraform.com. This will confirm your acceptance and representation that you are not bound by any agreements, contracts or commitments which would, in any way, limit your performance and contributions in the position we are offering. Thank you.

/s/ Sebastian Deschler	December 20, 2016
Signature	Date

Exhibit 10.56

CONFIDENTIAL

December 20, 2016

Mr. Sebastian Deschler
General Counsel
TerraForm Power, Inc.
7550 Wisconsin Avenue, 9th Floor
Bethesda, MD 20814

Re: Vesting of Restricted Shares and/or Restricted Stock Units - Updated

Dear Mr. Deschler:

TerraForm Power, Inc. ("*We*" or "*TerraForm*") very much appreciates the services you have been performing to support our operations. Our board of directors has therefore decided to grant you additional rights under any Restricted Stock Award Agreement or Restricted Stock Unit Agreement (each, an "*Existing Grant Agreement*") in effect as of today (the "*Amendment Effective Date*") between you (the "*Participant*") and TerraForm under TerraForm's 2014 Long-Term Incentive Plan, as in effect and as may be amended from time to time (the "*Plan*"). All capitalized terms used but not defined in this letter shall have the meaning assigned to them in the relevant Existing Grant Agreement or the Plan.

1. Additional Accelerated Vesting Event

The following shall be added as a new subsection at the end of the section of each Existing Grant Agreement entitled "Vesting":

> "Notwithstanding provisions of this Agreement requiring forfeiture on certain employment terminations, if the Participant (i) (1) is Terminated without Cause by, or resigns for Good Reason from, SunEdison or its relevant Affiliate (together, the "*SunEdison Companies*"), and (2) immediately notifies TerraForm in writing of such termination or resignation, but does not promptly receive an offer of employment from TerraForm Power, Inc., TerraForm Global, Inc. or one of their Affiliates (together, the "*TerraForm Companies*") for an equivalent position and at least equivalent compensation opportunity (each determined in TerraForm's reasonable discretion) (an "*Equivalent Employment Offer*") and does not then become employed by a TerraForm Company or (ii) has become an employee of a TerraForm Company and is thereafter Terminated without Cause by, or resigns for Good Reason from, such TerraForm Company, one hundred percent (100%) of the unvested shares of Restricted Stock or unvested RSUs, as applicable, shall immediately and provisionally vest and the remaining unvested shares of Restricted Stock or unvested RSUs, as applicable, shall be immediately forfeited, provided that such accelerated vesting shall be provisional, and require that the Participant execute a separation and release of claims agreement in favor of the TerraForm Companies as described below in this subsection.
>
> For the avoidance of doubt, (1) if the Participant accepts an offer of employment from a TerraForm Company and stays employed by such TerraForm Company until the relevant Vesting Date, no Termination shall be deemed to have occurred, and no unvested shares of Restricted Stock or unvested RSUs, as applicable, shall be forfeited, notwithstanding any brief interruption of employment caused by such change in employment from the SunEdison Companies to the TerraForm Companies and notwithstanding any time periods during which the Participant performs services to any of the TerraForm Companies as an employee or contractor of a temporary

employment company which the relevant TerraForm Company has retained for such purpose, (2) a Termination resulting from a reduction in force shall not be deemed a termination for Cause (unless the Participant is actually terminated for Cause), (3) a resignation (other than for Good Reason and other than to accept employment at a TerraForm Company) by the Participant from a SunEdison Company or a TerraForm Company, or a Termination of employment by a SunEdison Company or a TerraForm Company for Cause, shall result in the immediate forfeiture of any unvested Restricted Stock or unvested RSUs, as applicable, provided that nothing in this subsection shall limit or otherwise affect the discretion of the Compensation Committee of TerraForm's board of directors (the "Committee") to accelerate vesting hereunder, or any other provision herein that may provide for accelerated vesting. Nothing in this subsection is intended to override any more complete vesting based on a Change in Control that this Agreement may provide.

TerraForm's obligation to recognize the provisional vesting under this Agreement is subject (a) to the Participant's signing a separation and release of claims agreement (the "TerraForm Release") on a form with customary terms to be supplied by TerraForm at or promptly following the date of termination (which shall include, among other provisions, a release of claims in favor of the TerraForm Companies, confirmation of continued compliance with restrictive covenants, and post-employment cooperation), which release becomes enforceable within 60 days (or such shorter period as the release then specifies) following the date of termination, and (b) to the Participant's meeting in full the Participant's obligations under any restrictive covenants agreements in effect between the Participant and the TerraForm Companies.

The portion of each award under an Existing Grant Agreement for which vesting is accelerated by this subsection will only become fully vested if and when the Participant satisfies the release requirements, and any such provisionally vested portion will be forfeited retroactively to the Participant's date of termination if the Participant either notifies TerraForm that he or she will not execute or will revoke the TerraForm Release or the period for providing the TerraForm Release expires without the Participant's complying with the release requirements. TerraForm may choose instead to provide to the Participant any provisionally vested portions of these awards, subject to the Participant's undertaking to repay TerraForm in the manner determined by the Committee at such time if the Participant fails to satisfy the release requirements thereafter.

In addition, and notwithstanding any other provision in any Existing Grant Agreement or the Plan, if you leave employment with SunEdison or any of its Affiliates and become an employee of TerraForm Global, LLC or any of its Affiliates designated to provide services to TerraForm Global and its subsidiaries (such employing entity "GLBL"), and remain so employed at the time GLBL ceases to be an Affiliate of the Company, then the provisions in this Agreement relating to a Change of Control shall apply as if you were an employee of the Company at the time of such a Change of Control, and all unvested shares of Restricted Stock or unvested RSUs, as applicable, shall immediately vest.

Notwithstanding the foregoing, to the extent permitted by the equity plan under which such an award was granted, nothing in this Agreement shall preclude TerraForm from accelerating the vesting of any or all such awards to an earlier period."

2. General Provisions

(a) *Entire Agreement*. Upon your acknowledgement and acceptance hereof, this letter replaces and supersedes in its entirety the letter relating to Vesting of Restricted Shares and/or Restricted Stock Units from us dated July 5, 2016 (the "July 5 Letter"). This letter modifies the terms of certain specified awards pursuant to Existing Grant Agreements and sets forth the entire agreement between the parties with respect to the subject matter hereof, and fully supersedes any and all prior agreements, understandings, or representations between the parties pertaining to the subject matter of this letter. For the avoidance of doubt, except for the July 5 Letter, this letter does not supersede the terms of equity agreements and plans that, as modified where applicable, are referenced herein, and the definitions of Cause and Good Reason used herein are only to be applied to the vesting of the awards under the Existing Grant Agreements.

(b) *No Other Amendments.* Except as expressly set forth in this letter agreement, the Existing Grant Agreements shall remain in full force and effect and shall not be deemed amended or modified in any way.

(c) *Governing Law.* All questions concerning the construction, validity and interpretation of this letter agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof.

(d) *Counterparts*. This letter may be executed as counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement.

(e) *Severability*. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

(f) *No Right to Employment*. Nothing in this Agreement shall interfere with or limit in any way the right of any SunEdison Company or any TerraForm Company to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

(g) *Binding Agreement; Assignment*. This letter agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except in accordance with the provisions of the Existing Grant Agreements) any part of this Agreement without the prior express written consent of the Company.

* * *

Very truly yours,

/s/ Peter Blackmore
TerraForm Power, Inc.
Peter Blackmore
Chairman and Interim Chief Executive Officer

Acknowledged and agreed:

/s/ Sebastian Deschler______
Name: Sebastian Deschler

Exhibit 10.57

CONFIDENTIAL

April 10, 2017

Sebastian Deschler
TerraForm Power, Inc.
7550 Wisconsin Avenue, 9th Floor
Bethesda, Maryland 20814

Re: Retention Award

Dear Sebastian Deschler,

TerraForm Power, Inc. (together with its affiliates, "*TerraForm*") has selected you to receive a special retention award to encourage you to remain employed by TerraForm through and beyond the successful closing of the transaction with Brookfield Asset Management pursuant to the Merger and Sponsorship Transaction Agreement by and among TerraForm Power, Inc., Orion US Holdings 1 L.P. and BRET ERP Holdings Inc. dated as of March 6, 2017 (the "*Transaction*").

1. Your Retention Award

(a) *The Amount of Your Award*. Subject to the terms and conditions set forth below, you will receive a cash retention award of USD $290,686.16 (your "*Retention Award*").

(b) *Vesting and Forfeiture*. Seventy five percent (75%) of your Retention Award will vest on the consummation of the Transaction with Brookfield Asset Management and the remaining twenty five percent (25%) will vest ninety (90) days following the consummation of the Transaction (each of the Transaction consummation and the ninety days following, a "*Vesting Date*"). To receive the relevant portion of your Retention Award, you must be employed by TerraForm on the applicable Vesting Date. If the Transaction has not closed by March 31, 2018, one hundred percent (100%) of you Retention Award will vest on that date.

(c) *Accelerated Vesting of Your Award*. You will remain entitled to receive any unpaid portion of your Retention Award if TerraForm terminates your employment without Cause (as defined below) on a date that occurs before an applicable Vesting Date. TerraForm's obligation to recognize the accelerated vesting following a termination without Cause is subject to signing a separation and release of claims agreement (the "TerraForm Release") on a form with customary terms to be supplied by TerraForm at or promptly following the date of termination.

(d) *Payment*. The relevant portion of your Retention Award that is not forfeited will be payable to you as soon as practicable following the applicable Vesting Date, but in any event within thirty days following that Vesting Date.

(e) *Cause*. For purposes of this letter, "*Cause*" means your (1) continued failure to substantially perform your duties to TerraForm; (2) conviction of, or plea of guilty or *nolo contendere* to, a felony; (3) engaging in illegal conduct or gross misconduct that causes financial or reputational harm to TerraForm; or (4) engaging in fraud in connection with the business of TerraForm or misappropriation of TerraForm's funds or property. TerraForm shall determine in its discretion whether your employment with TerraForm was terminated for Cause, and you agree that, in consideration of this letter, any such determination shall be binding on you.

2. General Provisions

(a) *Not a Contract of Employment; No Assignment*. You and TerraForm acknowledge that this letter does not constitute a contract of employment with TerraForm. This letter is personal to you and you will not have any right to transfer, assign, pledge, alienate or create a lien upon this letter or any rights hereunder. The Retention Award is unfunded and unsecured and payable out of the general funds of TerraForm.

(b) *Amendments and Waivers*. Any provision of this letter may be amended or waived but only if the amendment or waiver is in writing and signed by TerraForm (and, in the case of an amendment, by you).

(c) *Taxes*. The Retention Award shall be subject to withholding and other taxes as required under applicable law.

(d) *Governing Law*. The laws of the State of Delaware applicable to agreements to be performed entirely within the State of Delaware govern all matters arising out of or relating to this letter, including its interpretation, construction, performance and enforcement.

(e) *Entire Agreement*. This letter sets forth the entire agreement between the parties with respect to the subject matter hereof, and fully supersedes any and all prior agreements, understandings, or representations between the parties pertaining to a retention bonus for 2017.

(f) *Counterparts*. This letter may be executed as counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement.

* * *

Very truly yours,

/s/ Peter Blackmore
Peter Blackmore
Chairman and Interim Chief Executive Officer

Exhibit 10.58

Execution Version

CREDIT AND GUARANTY AGREEMENT

as of December 15, 2015

among

TERRAFORM PRIVATE OPERATING II, LLC,
as Borrower,

TERRAFORM PRIVATE II, LLC,
as a Guarantor,

CERTAIN SUBSIDIARIES OF TERRAFORM PRIVATE OPERATING II, LLC,
as Guarantors,

VARIOUS LENDERS,

CITIBANK, N.A.,
as Administrative Agent and Collateral Agent,

and

CITIGROUP GLOBAL MARKETS INC.,
MORGAN STANLEY SENIOR FUNDING, INC.,
BARCLAYS BANK PLC,
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
GOLDMAN SACHS BANK USA,
and
MACQUARIE CAPITAL (USA) INC.,
as Joint Lead Arrangers and Joint Bookrunners

and

UBS SECURITIES LLC,
as Co-Manager

$500 Million Term Loan

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CREDIT AND GUARANTY AGREEMENT

This **CREDIT AND GUARANTY AGREEMENT**, dated as of December 15, 2015, is entered into by and among **TERRAFORM PRIVATE OPERATING II, LLC**, a Delaware limited liability company ("**Borrower**"), **TERRAFORM PRIVATE II, LLC**, a Delaware limited liability company ("**Holdings**"), **CERTAIN SUBSIDIARIES OF BORROWER**, as Guarantors, the Lenders party hereto from time to time, **CITIBANK, N.A.** ("**Citi**"), as Administrative Agent (together with its permitted successors in such capacity, "**Administrative Agent**"), and as Collateral Agent (together with its permitted successor in such capacity, "**Collateral Agent**"), **CITIGROUP GLOBAL MARKETS INC.**, **MORGAN STANLEY SENIOR FUNDING, INC.** ("**Morgan Stanley**"), **BARCLAYS BANK PLC** ("**Barclays**"), **MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED** ("**MLPFS**"), **GOLDMAN SACHS BANK USA** ("**GS Bank**"), and **MACQUARIE CAPITAL (USA) INC.** ("**Macquarie Capital**"), as Joint Lead Arrangers (in such capacity, "**Arrangers**") and Joint Bookrunners, and **UBS SECURITIES, LLC** ("**UBSS**"), as Co-Manager (in such capacity, "**Co-Manager**").

RECITALS:

WHEREAS, capitalized terms used in these Recitals shall have the respective meanings set forth for such terms in Section 1.1 hereof;

WHEREAS, Lenders have agreed to extend a term loan credit facility to Borrower in an aggregate principal amount of $500 million, the proceeds of which will be used in accordance with Section 2.3;

WHEREAS, Borrower has agreed to secure all of its Obligations by granting to Collateral Agent, for the benefit of Secured Parties, a First Priority Lien on substantially all of its assets, including a pledge of all of the Equity Interests of each of its Domestic Subsidiaries subject to the terms of the Pledge and Security Agreement; and

WHEREAS, Guarantors have agreed to guarantee the obligations of Borrower hereunder and to secure their respective Obligations by granting to Collateral Agent, for the benefit of Secured Parties, a First Priority Lien on substantially all of their respective assets, including a pledge of all of the Equity Interests of each of their respective Domestic Subsidiaries (including Borrower) subject to the terms of the Pledge and Security Agreement;

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1. DEFINITIONS AND INTERPRETATION

1.1. Definitions. The following terms used herein, including in the preamble, recitals, exhibits and schedules hereto, shall have the following meanings:

"**Acquired Debt**" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not incurred by such Person in connection with or in contemplation of such Person becoming a Restricted Subsidiary of the Borrower or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Borrower or any Restricted Subsidiary. Acquired Debt will be deemed to have been incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

2 "**Acquisition**" means the acquisition by the Borrower of the Closing Date Acquisition Projects pursuant to the terms and conditions of the applicable Acquisition Agreement, if applicable.

3 "**Acquisition Agreement**" means, collectively, the U.S. Acquisition Agreement and the Ontario Acquisition Agreement.

4 "**Acquisition Agreement Date**" as defined in Section 6.1.

5 "**Adjusted Eurodollar Rate**" means, for any Interest Rate Determination Date with respect to an Interest Period for a Eurodollar Rate Loan, the rate *per annum* obtained by dividing (i) (a) the rate *per annum* equal to the rate determined by Administrative Agent to be the offered rate which appears on the page of the Reuters Screen which displays an average London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) (such page currently being LIBOR01 page) for deposits (for delivery on the first day of such period) with a term equivalent to such period in Dollars, determined as of approximately 11:00 a.m. (London, England time) on such Interest Rate Determination Date, (b) in the event the rate referenced in the preceding clause (a) does not appear on such page or service or if such page or service shall cease to be available, the rate *per annum* equal to the rate determined by Administrative Agent to be the offered rate on such other page or other service which displays an average London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for deposits (for delivery on the first day of such period) with a term equivalent to such period in Dollars, determined as of approximately 11:00 a.m. (London, England time) on such Interest Rate Determination Date, or (c) in the event the rates referenced in the preceding clauses (a) and (b) are not available, the rate *per annum* determined by the Administrative Agent to be the average offered quotation rate by major banks in the London interbank market for deposits (for delivery on the first day of such period) in Dollars of amounts in same-day funds comparable to the principal amount of the applicable Loan for which the Adjusted Eurodollar Rate is then being determined with maturities comparable to such period as of approximately 11:00 a.m. (London, England time) on such Interest Rate Determination Date, by (ii) an amount equal to (a) one minus (b) the Applicable Reserve Requirement; provided, however, that notwithstanding the foregoing,

the Adjusted Eurodollar Rate with respect to any Loan shall at no time be less than 1.00% *per annum*.

6 "**Administrative Agent**" as defined in the preamble hereto.

7 "**Adverse Proceeding**" means any action, suit, proceeding, hearing (in each case, whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of Borrower or any of its Subsidiaries) at law or in equity, or before or by any Governmental Authority, domestic or foreign (including any Environmental Claims), whether pending or, to the knowledge of Borrower or any of its Subsidiaries, threatened in writing against or affecting Borrower or any of its Subsidiaries or any property of Borrower or any of its Subsidiaries.

8 "**Affected Lender**" as defined in Section 2.15(b).

9 "**Affected Loans**" as defined in Section 2.15(b).

10 "**Affiliate**" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power (i) to vote 50% or more of the Securities having ordinary voting power for the election of directors of such Person or (ii) to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

11 "**Agent**" means each of (i) Administrative Agent, (ii) Co-Manager, (iii) Collateral Agent, (iv) each Bookrunner and (v) any other Person appointed under the Credit Documents to serve in an agent or similar capacity.

12 "**Agent Affiliates**" as defined in Section 10.1(b)(iii).

13 "**Aggregate Amounts Due**" as defined in Section 2.14.

14 "**Aggregate Payments**" as defined in Section 7.2.

15 "**Agreement**" means this Credit and Guaranty Agreement, dated as of December 15, 2015, as it may be amended, restated, supplemented or otherwise modified from time to time.

16 "**Applicable Margin**" means (a) with respect to Base Rate Loans, 4.50% *per annum* and (b) with respect to Eurodollar Rate Loans, 5.50% *per annum*.

17 "**Applicable Reserve Requirement**" means, at any time, for any Eurodollar Rate Loan, the maximum rate, expressed as a decimal, at which reserves (including any basic marginal, special, supplemental, emergency or other reserves) are required to be maintained with respect thereto against "Eurocurrency liabilities" (as such term is defined in Regulation D) under regulations issued from time to time by the Board of Governors or other applicable banking regulator. Without limiting the effect of the foregoing, the Applicable Reserve Requirement shall reflect any other reserves required to be maintained by such member banks with respect to (i) any category of liabilities

which includes deposits by reference to which the applicable Adjusted Eurodollar Rate or any other interest rate of a Loan is to be determined, or (ii) any category of extensions of credit or other assets which include Eurodollar Rate Loans. A Eurodollar Rate Loan shall be deemed to constitute Eurocurrency liabilities and as such shall be deemed subject to reserve requirements without benefits of credit for proration, exceptions or offsets that may be available from time to time to the applicable Lender. The rate of interest on Eurodollar Rate Loans shall be adjusted automatically on and as of the effective date of any change in the Applicable Reserve Requirement.

18 "**Approved Electronic Communications**" means any notice, demand, communication, information, document or other material that any Credit Party provides to Administrative Agent pursuant to any Credit Document or the transactions contemplated therein which is distributed to Agents or Lenders by means of electronic communications pursuant to Section 10.1(b).

19 "**Arrangers**" as defined in the preamble hereto.

20 "**Asset Sale**" means:

21 (a) the sale, lease, transfer, conveyance or other disposition of all or a portion of any Project or all or a portion of the Equity Interests in any Subsidiary of Borrower that directly or indirectly owns a Project (including through the issuance of Equity Interests therein);

22 (b) the sale, lease, transfer, conveyance or other disposition of any assets by the Borrower or any of its Restricted Subsidiaries outside of the ordinary course of business; and

23 (c) the issuance of Equity Interests by any Restricted Subsidiary or the sale by the Borrower or any of its Restricted Subsidiaries of Equity Interests in any of the Restricted Subsidiaries (in each case, other than directors' qualifying shares).

24 Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

25 (1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than $10,000,000;

26 (2) a transfer of assets or Equity Interests between or among the Credit Parties (other than Holdings);

27 (3) subject to the limitations set forth in Section 6.8, an issuance of Equity Interests by a Restricted Subsidiary to the Borrower or to a Restricted Subsidiary that is a Credit Party;

28 (4) the sale, lease or other transfer of accounts receivable, inventory or other assets in the ordinary course of business and any sale or other disposition of damaged, worn-out or obsolete assets or assets that are no longer useful in the conduct of the business of the Borrower and its Restricted Subsidiaries;

29 (5) the sale, conveyance or other disposition for value of environmental attributes or energy, fuel, water or emission credits or similar rights or contracts for any of the foregoing by the Borrower or any of its Restricted Subsidiaries;

30 (6) licenses and sublicenses by the Borrower or any of its Restricted Subsidiaries;

31 (7) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims;

32 (8) the granting and enforcement and exercise of a Lien not prohibited by Section 6.2;

33 (9) any Restricted Payment not prohibited by Section 6.3, any Permitted Investment and any Permitted Debt;

34 (10) the sale or other disposition of cash or Cash Equivalents;

35 (11) the disposition of receivables in connection with the compromise, settlement or collection thereof in bankruptcy or similar proceedings;

36 (12) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

37 (13) the disposition of assets to a person who is providing services (the provision of which has been or is to be outsourced by the Borrower or any Subsidiary to such person) related to such assets;

38 (14) the lease (including sale and leaseback and inverted lease transactions), as lessor or sublessor, or license (other than any long-term exclusive license), as licensor or sublicensor, of real or personal property or intellectual property of a Non-Recourse Subsidiary that does not materially interfere with the business of the Borrower and its Restricted Subsidiaries, taken as a whole, or that is otherwise a Permitted Lien;

39 (15) the cancellation of intercompany Indebtedness with Borrower or any of its Subsidiaries permitted hereunder;

40 (16) swaps of assets for other similar assets or assets whose value is reasonably equivalent or greater in terms of type, value and quality, than the assets being swapped, as determined in good faith by Borrower;

41 (17) the unwinding of any Hedge Agreement; and

42 (18) the issuance, sale or other disposition of Equity Interests in (i) Joint Ventures or (ii) Subsidiaries, substantially all of which Subsidiaries' or Joint Ventures' assets are assets that, if disposed of separately, would not constitute an Asset Sale, in a single transaction or series of related transactions.

43 “**Assignment Agreement**” means an Assignment and Assumption Agreement substantially in the form of Exhibit D, with such amendments or modifications as may be approved by Administrative Agent.

44 “**Assignment Effective Date**” as defined in Section 10.6(b).

45 “**Authorized Officer**” means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president, vice president (or the equivalent thereof), chief financial officer, treasurer or other authorized signatory of such Person; provided that the secretary, assistant secretary or other Authorized Officer of such Person shall have delivered an incumbency certificate to Administrative Agent as to the authority of such other Authorized Officer.

46 “**Bank Product Obligations**” means all obligations and liabilities of any kind, nature or character (whether direct or indirect, absolute or contingent, liquidated or unliquidated, voluntary or involuntary, due or to become due that are in existence on the Closing Date or thereafter incurred) of the Borrower or any Guarantor, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise, which may arise under, out of, or in connection with any treasury, investment, depository, clearing house, wire transfer, commercial credit card, purchasing card, merchant card, cash management or automated clearing house transfers of funds services or any related services, including all renewals, extensions and modifications thereof and all costs, attorneys’ fees and expenses incurred by a holder of Bank Product Obligations in connection with the collection or enforcement thereof.

47 “**Bankruptcy Code**” means Title 11 of the United States Code entitled “Bankruptcy,” as now and hereafter in effect, or any successor statute.

48 “**Barclays**” as defined in the preamble hereto.

49 “**Base Rate**” means, for any day, a rate *per annum* equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (iii) the sum of (a) the Adjusted Eurodollar Rate (after giving effect to any Adjusted Eurodollar Rate “floor”) that would be payable on such day for a Eurodollar Rate Loan with a one-month interest period plus (b) the difference between the Applicable Margin for Eurodollar Rate Loans and the Applicable Margin for Base Rate Loans. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively; provided, however, that notwithstanding the foregoing, the Base Rate with respect to any Loan shall at no time be less than 2.00% *per annum*.

50 “**Base Rate Loan**” means a Loan bearing interest at a rate determined by reference to the Base Rate.

51 “**Beneficiary**” means each Agent, Lender and Lender Counterparty.

52 “**Beneficial Owner**” mean Lender or beneficial owner, to the extent that such Lender is not the beneficial owner of the Loan (as well as any Notes evidencing such Loan).

53 "**Bishop Hill PSA**" means that certain Amended and Restated Purchase and Sale Agreement, dated as of December 15, 2015, by and between Invenergy Wind Global LLC and TerraForm IWG Acquisition Holdings II, LLC.

54 "**Board of Governors**" means the Board of Governors of the United States Federal Reserve System, or any successor thereto.

55 "**Bookrunners**" means Arrangers, in their capacity as joint lead arrangers and joint bookrunners.

56 "**Borrower**" as defined in the preamble hereto.

57 "**Borrower Debt Service Expense**" means, for any period, an amount equal to the sum, without duplication, of (i) Borrower Interest Expense, (ii) scheduled payments of principal on Borrower Total Debt (excluding mandatory prepayments pursuant to Section 2.11 and the final payment of the Term Loan) and (iii) all other debt service expense payments of Permitted Debt made by Borrower from the Project Deposit Account. Notwithstanding the foregoing, Borrower Debt Service Expense (x) for the Fiscal Quarter ended June 30, 2015 shall be deemed to be $9,375,000, (y) for the Fiscal Quarter ended September 30, 2015 shall be deemed to be $9,375,000, and (z) for the Fiscal Quarter ended December 31, 2015 shall be deemed to be $9,375,000.

58 "**Borrower Interest Expense**" means, for any period, total interest expense (including that portion attributable to Capitalized Lease Obligations in accordance with GAAP and capitalized interest) of Borrower with respect to all outstanding Indebtedness of Borrower, including all commissions, discounts and other fees and charges owed with respect to letters of credit and net costs due and payable under Interest Rate Agreements (other than any termination payments), but excluding, however, (i) any amount not payable in Cash, (ii) any amounts referred to in Section 2.8 (a) payable on or before the Closing Date and (iii) any Extension Fee payable pursuant to Section 2.8(b).

59 "**Borrower Total Debt**" means, as at any date of determination, the aggregate stated balance sheet amount of all Indebtedness of Borrower (or, if higher, the par value or stated face amount of all such Indebtedness (other than zero coupon Indebtedness)) determined in accordance with GAAP, for the avoidance of doubt excluding Non-Recourse Project Indebtedness.

60 "**Business Day**" means (i) any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close and (ii) with respect to all notices, determinations, fundings and payments in connection with the Adjusted Eurodollar Rate or any Eurodollar Rate Loans, the term "**Business Day**" means any day which is a Business Day described in clause (i) and which is also a day for trading by and between banks in Dollar deposits in the London interbank market.

"**Capitalized Lease Obligation**" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP; provided that any obligations of the Borrower or its Restricted Subsidiaries either existing on the Closing Date or created prior to any recharacterization (i) that were not included on the consolidated balance sheet of the Borrower as capital lease obligations and (ii) that are subsequently recharacterized as capital lease obligations due to a change in accounting treatment or otherwise, shall for all purposes hereunder (including, without limitation, the calculation of Project CAFD) not be treated as capital lease obligations, Capitalized Lease Obligations or Indebtedness.

61 "**Cash**" means money, currency or a credit balance in any demand or Deposit Account.

62 "**Cash Equivalents**" means, as at any date of determination, any of the following: (i) marketable securities (a) issued or directly and unconditionally guaranteed as to interest and principal by the United States Government or (b) issued by any agency of the United States, the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one year after such date; (ii) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A‑1 from S&P or at least P‑1 from Moody's; (iii) commercial paper maturing no more than three months from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A‑1 from S&P or at least P‑1 from Moody's; (iv) certificates of deposit or bankers' acceptances maturing within three months after such date and issued or accepted by any Lender or by any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia that (a) is at least "adequately capitalized" (as defined in the regulations of its primary Federal banking regulator) and (b) has Tier 1 capital (as defined in such regulations) of not less than $1,000,000,000; (v) shares of any money market mutual fund that (a) has substantially all of its assets invested continuously in the types of investments referred to in clauses (i) and (ii) above, (b) has net assets of not less than $5,000,000,000, and (c) has the highest rating obtainable from either S&P or Moody's; and (vi) solely with respect to Foreign Subsidiaries, other short-term investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in investments of a type analogous to the foregoing.

63 "**Certificate re Portfolio Interest Exemption**" means a certificate substantially in the form of Exhibit E.

64 "**Change of Control**" means (i) any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) other than a Permitted Holder shall have acquired Control of TerraForm Power; (ii) TerraForm Power shall cease to directly or indirectly beneficially own and control 100% on a fully diluted basis of the economic and voting interest in the Equity Interests of Holdings or (iii) Holdings shall cease to directly beneficially own and control 100% on a fully diluted basis of the economic and voting interest in the Equity Interests of Borrower.

65 "**Citi**" as defined in the preamble hereto.

66 "**Clean Energy System**" means a solar, wind, biomass, natural gas, hydroelectric, geothermal or other clean energy generating installation or a hybrid energy generating installation that utilizes a combination of solar, wind, biomass, natural gas, hydroelectric, geothermal or other clean fuel and an alternative fuel source, in each case whether commercial or residential in nature, and/or any transmission facilities relating to the foregoing.

67 "**Closing Date**" means December 15, 2015.

68 "**Closing Date Acquisition Projects**" means the projects more particularly described on Schedule 1.1A hereto.

69 "**Closing Date Certificate**" means the certificate delivered on the Closing Date in accordance with Section 3.1(n).

"**Closing Date Material Adverse Effect**" means the occurrence of any of the following:

(1) with respect to the acquisition (the "**U.S. Acquisition**") of entities and projects pursuant to any U.S. Acquisition Agreement, any change or effect that, individually or in the aggregate with other such changes or effects, is materially adverse to (a) the Business, results of operations, assets or liabilities, financial condition, or properties of the Acquired Entities or the Projects, in each case, taken as a whole, or (b) the ability of Seller to consummate the transactions contemplated hereby or perform its obligations hereunder, or the ability of Seller to consummate the transactions contemplated by the Investment Documents to which it is a party or perform its obligations thereunder, each on a timely basis; provided, however, that none of the following shall be or will be deemed to constitute and shall not be taken into account in determining the occurrence of a Closing Date Material Adverse Effect, to the extent not having a disproportionate adverse effect on any Acquired Entity or any Project compared to other wind generation projects within the same regional transmission organization (RTO): any change, event, effect or occurrence (or changes, events, effects or occurrences taken together) resulting from (a) any economic change generally affecting the international, national or regional (i) electric generating industry or (ii) wholesale markets for electric power; (b) any economic change in markets for commodities or supplies, including electric power, as applicable, used in connection with the relevant Project Company; (c) any act of God or change in general regulatory or political conditions, including any engagements of hostilities, acts of war or terrorist activities, or changes imposed by a Governmental Authority associated with additional security; (d) any change in any Laws (including Environmental Laws) adopted or approved by any Governmental Authority; (e) any change in the financial, banking, or securities markets (including any suspension of trading in, or limitation on prices for, securities on the New York Stock Exchange, American Stock Exchange or Nasdaq Stock Market) or any change in the general national or regional economic or financial conditions; (f) any actions to be taken pursuant to or in accordance with this Agreement; or (g) the announcement or pendency of the transactions contemplated hereby, including disputes or any fees or expenses incurred in connection therewith or any labor union activities or disputes (other than with respect to Seller and its affiliates); and

(2) with respect to the acquisition (the "**Ontario Acquisition**") of project and other assets pursuant to the Ontario Acquisition Agreement, any change or effect that, individually or in the aggregate with other such changes or effects, is materially adverse to (a) the Business, results of operations, assets or liabilities, financial condition or properties of the Seller or the Project, in each case, taken as a whole, or (b) the ability of the Seller Parent to consummate the transactions contemplated hereby or perform its obligations hereunder or the ability of the Seller to consummate the transactions contemplated by the Transaction Documents to which it is a party or perform its obligations thereunder, each on a timely basis; provided, however, that none of the following shall be or will be deemed to constitute and shall not be taken into account in determining the occurrence

of a Closing Date Material Adverse Effect, to the extent not having a disproportionate adverse effect on Seller or the Project compared to other wind generation projects within Ontario: any change, event, effect or occurrence (or changes, events, effects or occurrences taken together) resulting from (a) any economic change generally affecting the international, national or regional (i) electric generating industry or (ii) wholesale markets for electric power; (b) any act of God or economic change in markets for commodities or supplies, including electric power, as applicable, used in connection with the Project; (c) any change in general regulatory or political conditions, including any engagements of hostilities, acts of war or terrorist activities, or changes imposed by a Governmental Authority associated with additional security; (d) any change in any Laws (including Environmental Laws), adopted or approved by any Governmental Authority; (e) any change in the financial, banking, or securities markets (including any suspension of trading in, or limitation on prices for, securities on the New York Stock Exchange, American Stock Exchange or Nasdaq Stock Market) or any change in the general national or regional economic or financial conditions; (f) any actions to be taken pursuant to or in accordance with this Agreement; or (g) the announcement or pendency of the transactions contemplated hereby, including disputes or any fees or expenses incurred in connection therewith or any labor union activities or disputes (other than with respect to Seller and its Affiliates).

All capitalized terms used but not defined in clause (1) and clause (2) of this definition of "Closing Date Material Adverse Effect" have the meanings given to them in the applicable U.S. Acquisition Agreement and the Ontario Acquisition Agreement, respectively.

70 "**Collateral**" means, collectively, all of the personal property (including Equity Interests) in which Liens are purported to be granted pursuant to the Collateral Documents as security for the Obligations; provided that in no event shall the Collateral include any Excluded Property.

71 "**Collateral Agent**" as defined in the preamble hereto.

72 "**Collateral Documents**" means the Pledge and Security Agreement, the control agreements in respect of each of the Project Deposit Account and the Term Loan Proceeds Account and all other instruments, documents and agreements delivered by or on behalf of any Credit Party pursuant to this Agreement or any of the other Credit Documents in order to grant to, or perfect in favor of, Collateral Agent, for the benefit of Secured Parties, a Lien on any real, personal or mixed property of that Credit Party as security for the Obligations; provided that, in no event shall any Credit Party be required to provide, and therefore in no event shall "Collateral Documents" include, mortgages with respect to interests in real property.

73 "**Collateral Questionnaire**" means a certificate in form satisfactory to Collateral Agent that provides information with respect to the personal or mixed property of each Credit Party.

74 "**Co-Manager**" as defined in the preamble hereto.

75 "**Commitment**" means the commitment of a Lender to make or otherwise fund a Loan on the Closing Date, and "**Commitments**" means such commitments of all Lenders in the aggregate. The amount of each Lender's Commitment, if any, is set forth on Appendix A or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Commitments as of the Closing Date is $500,000,000.

76 "**Commodity Exchange Act**" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

77 "**Compliance Certificate**" means a Compliance Certificate substantially in the form of Exhibit C.

78 "**Consolidated Total Assets**" means, as of any date of determination, the total consolidated assets of the Borrower and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP, as shown on the most recent internal consolidated balance sheet of the Borrower available as of such date, but giving pro forma effect to any acquisition or disposition occurring on or prior to such date of determination.

79 "**Contractual Obligation**" means, as applied to any Person, any provision of any Security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

80 "**Contributing Guarantors**" as defined in Section 7.2.

81 "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

82 "**Controlled Foreign Corporation**" means "controlled foreign corporation" as defined in Section 957 of the Internal Revenue Code; provided however, for the avoidance of doubt, none of Borrower, the Persons that are Guarantors as of the Closing Date or any Project Holdco shall be a Controlled Foreign Corporation.

83 "**Conversion/Continuation Date**" means the effective date of a continuation or conversion, as the case may be, as set forth in the applicable Conversion/Continuation Notice.

84 "**Conversion/Continuation Notice**" means a Conversion/Continuation Notice substantially in the form of Exhibit A‑2.

85 "**Counterpart Agreement**" means a Counterpart Agreement substantially in the form of Exhibit G delivered by a Credit Party pursuant to Section 5.10.

86 "**CRPB PSA**" means that certain Amended and Restated Purchase and Sale Agreement, dated as of December 15, 2015, by and between Invenergy Wind Global LLC and TerraForm IWG Acquisition Holdings III, LLC.

87 "**Credit Document**" means any of this Agreement, the Notes, if any, the Collateral Documents, any agreement entered into by any Credit Party with respect to the Term Loan Proceeds Account, and all other documents, certificates, instruments or agreements executed and delivered by or on behalf of a Credit Party for the benefit of any Agent or any Lender in connection herewith on or after the date hereof.

88 "**Credit Party**" means each Person (other than any Agent or any Lender or any other representative thereof) from time to time party to a Credit Document, including, for the avoidance of doubt, Borrower and each Guarantor. Notwithstanding anything in the Credit Documents to the contrary, no Non-Recourse Subsidiary and no Immaterial Subsidiary shall be a Credit Party.

89 "**Currency Agreement**" means any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement.

90 "**Debtor Relief Laws**" means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

91 "**Debt Service Coverage Ratio**" means the ratio as of the last day of any Fiscal Quarter of (a) Project CAFD to (b) Borrower Debt Service Expense, in each case for the four Fiscal Quarter period ending on such date; provided, however, that the Debt Service Coverage Ratio for any Fiscal Quarter in which Borrower or any of its Subsidiaries has acquired, directly or indirectly, any Equity Interests in any Person or any property with a value in excess of $2,000,000 at any time after the first day of such Fiscal Quarter shall be calculated by giving pro forma effect to such acquisition as if such acquisition had occurred on the first day of such Fiscal Quarter, and by deeming historical financial performance of such Person or property for such Fiscal Quarter and each Fiscal Quarter prior thereto to be equal to the projected financial performance for the corresponding Fiscal Quarter in the following calendar year (as determined in the good faith reasonable judgment of Borrower).

92 "**Default**" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

93 "**Defaulting Lender**" means subject to Section 2.19(b), any Lender (a) that has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies Administrative Agent and Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (which conditions precedent, together with the applicable default, if any, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) that has notified Borrower or Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with the applicable default, if any, shall be specifically identified in such writing or public statement) cannot be satisfied), or (c) for which Administrative Agent has received notification that such Lender is, or has a direct or indirect parent company that is, (i) insolvent, or is generally unable to pay its debts as they become due, or admits in writing its inability to pay its debts as they become due, or makes a general assignment for the benefit of its creditors or (ii) the subject of a bankruptcy, insolvency, reorganization, liquidation or similar proceeding, or a receiver, trustee, conservator, intervenor or

sequestrator or the like has been appointed for such Lender or its direct or indirect parent company, or such Lender or its direct or indirect parent company has taken any action in furtherance of or indicating its consent to or acquiescence in any such proceeding or appointment; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

94 "**Deposit Account**" means a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a negotiable certificate of deposit.

95 "**Disqualified Equity Interests**" means any Equity Interest which, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (i) matures or is mandatorily redeemable (other than solely for Equity Interests which are not otherwise Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise, (ii) is redeemable at the option of the holder thereof (other than solely for Equity Interests which are not otherwise Disqualified Equity Interests), in whole or in part, (iii) contractually provides for the scheduled payments or dividends in cash, or (iv) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Latest Maturity Date, except, in the case of clauses (i) and (ii), if as a result of a change of control or asset sale, so long as any rights of the holders thereof upon the occurrence of such a change of control or asset sale event are subject to the prior payment in full of all Obligations and the termination of the Commitments.

96 "**Dollars**" and the sign "**$**" mean the lawful money of the United States of America.

97 "**Domestic Subsidiary**" means any Subsidiary organized under the laws of the United States of America, any State thereof or the District of Columbia.

98 "**Eligible Assignee**" means any Person other than a natural Person that is (i) a Lender, an Affiliate of any Lender or a Related Fund (any two or more Related Funds being treated as a single Eligible Assignee for all purposes hereof), or (ii) a commercial bank, insurance company, investment or mutual fund or other entity that is an "accredited investor" (as defined in Regulation D under the Securities Act) and which extends credit or buys loans in the ordinary course of business; provided, in the case of each of clauses (i) and (ii) above, no Defaulting Lender, Ineligible Institution, Credit Party or Affiliate of a Credit Party shall be an Eligible Assignee.

99 "**Employee Benefit Plan**" means any "employee benefit plan" as defined in Section 3(3) of ERISA which is or was sponsored, maintained or contributed to by, or required to be contributed by, Borrower, any of the Guarantors or (solely with respect to an employee benefit plan that is a "multiemployer plan" as defined in Section 3(37) of ERISA or is otherwise subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA) any of their respective ERISA Affiliates.

100 "**Environmental Claim**" means any investigation, written notice, request for information, notice of potential liability, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive by any Governmental Authority or any other Person, arising (i) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (ii) in connection with the presence, Release or threatened Release of Hazardous Materials; or (iii) in connection with any actual or alleged damage, injury, threat or harm to human health or safety, natural resources or the environment.

101 "**Environmental Laws**" means any and all current or future foreign or domestic, federal or state (or any subdivision of either of them), statutes, ordinances, orders, rules, regulations, judgments, Governmental Authorizations, or any other requirements of Governmental Authorities relating to (i) the protection of the environment; (ii) the generation, use, storage, transportation, disposal or Release of Hazardous Materials; (iii) occupational health and safety and industrial hygiene; or (iv) the protection of human, plant or animal health or natural resources, in any manner applicable to Holdings or any of its Subsidiaries or any Facility.

102 "**Equity Interests**" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

103 "**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

104 "**ERISA Affiliate**" means, as applied to any Person, (i) any corporation that is a member of a controlled group of corporations within the meaning of Section 414(b) of the Internal Revenue Code of which that Person is a member; (ii) any trade or business (whether or not incorporated) that is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Internal Revenue Code of which that Person is a member; and (iii) solely for purposes of Sections 302 and 303 of ERISA and Sections 412 and 430 of the Internal Revenue Code, any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Internal Revenue Code of which that Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above is a member. Any former ERISA Affiliate of Borrower or any of the Guarantors shall continue to be considered an ERISA Affiliate of Borrower or any such Guarantor within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of Borrower or such Guarantor and with respect to liabilities arising after such period for which Borrower or such Guarantor could be liable under the Internal Revenue Code or ERISA.

105 "**ERISA Event**" means (i) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan (excluding those for which the provision for 30-day notice to the PBGC has been waived by regulation); (ii) the failure to meet the minimum funding standard of Sections 412 or 430 of the Internal Revenue Code or Sections 302 or 303 of ERISA with respect to any Pension Plan (whether or not waived in accordance with Section 412(c) of the Internal Revenue Code) or the failure to make by its due date a required installment under Section 430(j) of the Internal Revenue Code or Section 303(j) of ERISA with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer

Plan; (iii) the provision by the administrator of any Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA; (iv) the withdrawal by Borrower, any of the Guarantors or any of their respective ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability to Borrower, any of the Guarantors or any of their respective ERISA Affiliates pursuant to Section 4063 or 4064 of ERISA; (v) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition which might constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (vi) the imposition of liability on Borrower, any of the Guarantors or any of their respective ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (vii) the withdrawal of Borrower, any of the Guarantors or any of their respective ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability therefor, or the receipt by Borrower, any of the Guarantors or any of their respective ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (viii) the receipt by the Borrower, any of the Guarantors or any of their respective ERISA Affiliates of notice from any Multiemployer Plan that such Multiemployer Plan is in “endangered” or “critical” status (within the meaning of Section 432 of the Internal Revenue Code or Section 305 of ERISA); (ix) the occurrence of an act or omission which could give rise to the imposition on Borrower, any of the Guarantors or (solely with respect to taxes imposed under Section 4971 of the Internal Revenue Code) any of their respective ERISA Affiliates of fines, penalties, taxes or related charges under Chapter 43 of the Internal Revenue Code or under Section 409, Section 502(c), (i) or (l), or Section 4971 of ERISA in respect of any Employee Benefit Plan; (x) the assertion of a material claim (other than routine claims for benefits) against any Employee Benefit Plan other than a Multiemployer Plan or the assets thereof, or against Borrower, any of the Guarantors or any of their respective ERISA Affiliates in connection with any Employee Benefit Plan; (xi) receipt from the Internal Revenue Service of notice of the failure of any Pension Plan (or any other Employee Benefit Plan intended to be qualified under Section 401(a) of the Internal Revenue Code) to qualify under Section 401(a) of the Internal Revenue Code, or the failure of any trust forming part of any Pension Plan to qualify for exemption from taxation under Section 501(a) of the Internal Revenue Code; (xii) a determination that any Pension Plan is, or is expected to be in “at-risk” status (as defined in Section 303(i) of ERISA or Section 430(i) of the Internal Revenue Code); or (xiii) the imposition of a Lien pursuant to Section 430(k) of the Internal Revenue Code or Section 4068 of ERISA upon the property and rights to property belonging to the Borrower, any of the Guarantors or any of their respective ERISA Affiliates.

106 “**Eurodollar Rate Loan**” means a Loan bearing interest at a rate determined by reference to the Adjusted Eurodollar Rate.

107 “**Event of Default**” means each of the conditions or events set forth in Section 8.1.

108 “**EWG Status**” as defined in Section 4.26(a).

109 “**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

110 "**Excluded Hedge Obligation**" means, with respect to any Guarantor, (x) as it relates to all or a portion of the Guaranty of such Guarantor, any Swap Obligation if, and to the extent that, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guaranty of such Guarantor becomes effective with respect to such Swap Obligation or (y) as it relates to all or a portion of the grant by such Guarantor of a security interest, any Swap Obligation if, and to the extent that, such Swap Obligation (or such security interest in respect thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the security interest of such Guarantor becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty or security interest is or becomes illegal.

111 "**Excluded Property**" means any (a) real property of any Credit Party; (b) lease, license, contract or agreement to which any Credit Party is a party, and any of its rights or interest thereunder, if and to the extent that a security interest is prohibited by or in violation of (i) any law, rule or regulation applicable to such Credit Party, or (ii) a term, provision or condition of any such lease, license, contract or agreement (unless such law, rule, regulation, term, provision or condition would be rendered ineffective with respect to the creation of the security interest hereunder pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity); provided, however, that the Collateral shall include (and such security interest shall attach) immediately at such time as the contractual or legal prohibition shall no longer be applicable and to the extent severable, shall attach immediately to any portion of such lease, license, contract or agreement not subject to the prohibitions specified in (i) or (ii) above; provided, further, that the exclusions referred to in this clause (b) shall not include any Proceeds (as defined in the UCC) of any such lease, license, contract or agreement unless such Proceeds also constitute Excluded Property; (c) outstanding Equity Interests of a Controlled Foreign Corporation in excess of 65% of the voting power of all classes of Equity Interests of such Controlled Foreign Corporation entitled to vote; provided that the Collateral shall include 100% of all classes of outstanding Equity Interests of any Controlled Foreign Corporation not entitled to vote; provided, further, that immediately upon the amendment of the Internal Revenue Code to allow the pledge of a greater percentage of the voting power of Equity Interests in a Controlled Foreign Corporation without adverse tax consequences, the Collateral shall include, and the security interest granted by each Credit Party shall attach to, such greater percentage of Equity Interests of each Controlled Foreign Corporation; (d) "intent-to-use" application for registration of a trademark filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, prior to the filing of a "Statement of Use" pursuant to Section 1(d) of the Lanham Act or an "Amendment to Allege Use" pursuant to Section 1(c) of the Lanham Act with respect thereto, solely to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of any registration that issues from such intent-to-use application under applicable federal law; or (e) of the outstanding

Equity Interests of a Non-Recourse Subsidiary (other than any Non-Recourse Subsidiary Pledgee); provided, however, that the exclusions referred to in this clause (e) shall not include any Proceeds of any such Equity Interests unless such Proceeds also constitute Excluded Property.

112 "**Excluded Subsidiary**" means each of the following Subsidiaries and each of their respective Subsidiaries: (i) TerraForm Utility Solar XIX Manager, LLC; (ii) First Wind Panhandle Holdings II, LLC; (iii) California Ridge Class B Holdings LLC; (iv) TerraForm IWG Acquisition Holdings, LLC; (v) Invenergy Prairie Breeze Holdings LLC; (vi) Prairie Breeze Facility Manager LLC; (vii) TerraForm IWG Ontario Holdings Parent, LLC; and (viii) TerraForm IWG Acquisition Holdings II Parent, LLC; provided, however, that a Subsidiary shall cease being an Excluded Subsidiary if and when the Credit Parties reasonably believe that such Subsidiary or its Subsidiaries has ceased being a party or otherwise subject to Project Obligations (including any tax equity or organizational documents applicable to such Subsidiary) and/or Non-Recourse Indebtedness that the Credit Parties reasonably believe restricts or otherwise precludes the Credit Parties from causing such Subsidiary from becoming a Guarantor and/or pledging its Equity Interests or other assets as contemplated herein without requiring that a Credit Party or its Subsidiary seek, request or obtain an amendment, modification, waiver, or consent to such documentation from a third-party.

113 "**Excluded Taxes**" means any of the following Taxes imposed on or with respect to a Beneficiary or required to be withheld or deducted from a payment to a Beneficiary, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Beneficiary being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Commitment (other than pursuant to an assignment request by the Borrower under Section 2.20) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Beneficiary's failure to comply with Section 2.17(c), and (d) any U.S. federal withholding Taxes imposed under FATCA.

114 "**Exposure**" means, with respect to any Lender as of any date of determination, the outstanding principal amount of the Loans of such Lender; provided at any time prior to the making of the Loans, the Exposure of any Lender shall be equal to such Lender's Commitment.

115 "**Extension Option**" as defined in Section 2.22.

116 "**Facility**" means any real property (including all buildings, fixtures or other improvements located thereon) now, hereafter or heretofore owned, leased, operated or used by Holdings or any of its Subsidiaries or any of their respective predecessors.

"**Fair Market Value**" means the value that would be paid by a willing buyer to a willing seller in a transaction not involving distress of either party, determined in good faith by Borrower or otherwise supported by an appraisal by an unrelated Person.

117 “**Fair Share**” as defined in Section 7.2.

118 “**Fair Share Contribution Amount**” as defined in Section 7.2.

119 “**FATCA**” means Sections 1471 through 1474 of the Internal Revenue Code as of the date hereof (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations promulgated thereunder or official interpretations thereof, any agreements entered into pursuant to the foregoing, and any intergovernmental agreements entered into by the United States that implement or modify the foregoing (together with the portions of any law, regulations, rules or practices implementing such intergovernmental agreements).

120 “**Federal Energy Regulatory Authorizations, Exemptions, and Waivers**” as defined in Section 4.26(d).

121 “**Federal Funds Effective Rate**” means for any day, the rate *per annum* equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; <u>provided</u>, (i) if such day is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average rate charged to Administrative Agent on such day on such transactions as determined by Administrative Agent.

122 “**FERC**” as defined in Section 4.26(a).

123 “**Financial Officer Certification**” means, with respect to the financial statements for which such certification is required, the certification of an Authorized Officer of Holdings (which Authorized Officer shall be familiar with the financial condition of Holding and its Subsidiaries) that such financial statements present fairly, in all material respects, the financial condition of Holdings and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year‑end adjustments.

124 “**Financial Plan**” as defined in Section 5.1(h).

125 “**First Priority**” means, with respect to any Lien purported to be created in any Collateral pursuant to any Collateral Document, that such Lien is the only Lien to which such Collateral is subject, other than any Permitted Lien.

126 “**Fiscal Quarter**” means a fiscal quarter of any Fiscal Year.

127 “**Fiscal Year**” means the fiscal year of Holdings and its Subsidiaries ending on December 31 of each calendar year.

128 “**Foreign Subsidiary**” means any Subsidiary that is not a Domestic Subsidiary.

129 “**FPA**” as defined in Section 4.26(c).

130 “**FUCO**” as defined in Section 4.26(b).

131 “**Funding Guarantors**” as defined in Section 7.2.

132 “**Funding Notice**” means a notice substantially in the form of Exhibit A-1.

133 “**Funds Release Date**” shall mean each date upon which Borrower requests a disbursement of the Term Loan Proceeds Amount in accordance with Section 2.21(c)(i).

134 “**GAAP**” means United States generally accepted accounting principles in effect as of the date of determination thereof.

135 “**Governmental Authority**” means any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity, officer or examiner exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

136 “**Governmental Authorization**” means any permit, license, tariff, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

137 “**Grantor**” as defined in the Pledge and Security Agreement.

138 “**GS Bank**” as defined in the preamble hereto.

139 “**Guaranteed Obligations**” as defined in Section 7.1.

140 “**Guarantor**” means Holdings and each Domestic Subsidiary of Holdings (other than Borrower, any Immaterial Subsidiary, any Non-Recourse Subsidiary and any Excluded Subsidiary). For the avoidance of doubt, as of the Closing Date, the only Guarantors are (i) Holdings, (ii) TerraForm Utility Solar XIX Holdings, LLC, (iii) TerraForm IWG Acquisition Holdings III, LLC, (iv) TerraForm IWG Ontario Holdings Grandparent, LLC and (v) TerraForm IWG Acquisition Ultimate Holdings II, LLC.

141 “**Guarantor Subsidiary**” means each Guarantor other than Holdings.

142 “**Guaranty**” means the guaranty of each Guarantor set forth in Section 7.

143 “**Hazardous Materials**” means any chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority or which is reasonably likely to pose a hazard to the health and safety of the owners, occupants or any Persons in the vicinity of any Facility or to the indoor or outdoor environment.

144 “**Hedge Agreement**” means an Interest Rate Agreement, a Currency Agreement, or a REC Hedge, in each case entered into by a Credit Party with a Lender Counterparty.

145 “**Highest Lawful Rate**” means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to any Lender which are presently in effect or, to the extent allowed by law, under such applicable

laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow.

146 "**Historical Financial Statements**" means the financial statements described in Schedule 4.7.

147 "**Holdings**" as defined in the preamble hereto.

148 "**Immaterial Subsidiary**" means, as of any date, any Subsidiary (other than a Credit Party) at any time designated by Borrower as an "Immaterial Subsidiary"; provided that (a) the aggregate Project CAFD distributed or otherwise paid to Borrower or Holdings by any individual Immaterial Subsidiary (together with its direct or indirect parent entities) for the previous four Fiscal Quarters shall not exceed 5.0% of the Project CAFD distributed or otherwise paid to Borrower and Holdings in the aggregate for such period and (b) the aggregate Project CAFD distributed or otherwise paid to Borrower or Holdings by all Immaterial Subsidiaries (together with their direct or indirect parent entities) for the previous four Fiscal Quarters shall not exceed 7.5% of the Project CAFD distributed or otherwise paid to Borrower and Holdings in the aggregate for such period; provided, that (1) for purposes of the foregoing clauses (a) and (b), TerraForm Utility Solar XIX Holdings, LLC and its Subsidiaries shall constitute a single Subsidiary and (2) in the event that run-rate Project CAFD for any Immaterial Subsidiary (together with its direct or indirect parent entities) is not available for the previous four Fiscal Quarters, Project CAFD for such Immaterial Subsidiary (together with its direct or indirect parent entities) shall be determined on a pro forma basis, taking into account any Fiscal Quarter for which run-rate Project CAFD is available, and, if no run-rate Project CAFD is available, on a projected basis based on the Projections made available to the Lenders as of the Closing Date. Notwithstanding the foregoing, none of the following Subsidiaries shall be deemed to be an Immaterial Subsidiary for any purposes of this Agreement or any of the other Credit Documents: (i) TerraForm Utility Solar XIX, LLC and each of its Subsidiaries (and its direct or indirect parents), (ii) Prairie Breeze Wind Energy II LLC and its direct or indirect parents), and (iii) Prairie Breeze Wind Energy III, LLC (and its direct or indirect parents).

149 "**Increased-Cost Lender**" as defined in Section 2.20.

150 "**Indebtedness**" means, as applied to any Person, without duplication, (i) all indebtedness for borrowed money; (ii) that portion of Capitalized Lease Obligations that is properly classified as a liability on a balance sheet in conformity with GAAP; (iii) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money; (iv) any obligation owed for all or any part of the deferred purchase price of property or services (excluding (A) any such obligations incurred under ERISA, (B) any earn-out obligations consisting of the deferred purchase price of property acquired until such obligation becomes a liability on the balance sheet of such person in accordance with GAAP and (C) accounts payable in the ordinary course of business and not more than 120 days overdue), which purchase price is (a) due more than six months from the date of incurrence of the obligation in respect thereof or (b) evidenced by a note or similar written instrument; (v) all indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person; (vi) the face amount of any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings (but excluding letters of credit for the account of any Persons other than Credit Parties which are cash collateralized or with respect to which back-

to-back letters of credit have been issued); (vii) Disqualified Equity Interests; (viii) the direct or indirect guaranty, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another; (ix) any obligation of such Person the primary purpose or intent of which is to provide assurance to an obligee that the obligation of the obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the holders thereof will be protected (in whole or in part) against loss in respect thereof; (x) any liability of such Person for an obligation of another through any agreement (contingent or otherwise) (a) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (b) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (a) or (b) of this clause (x), the primary purpose or intent thereof is as described in clause (ix) above; (xi) any obligations with respect to tax equity or similar financing arrangements (other than any such obligations of Non-Recourse Subsidiaries); and (xii) all obligations of such Person in respect of any exchange traded or over the counter derivative transaction, including under any Hedge Agreement, whether entered into for hedging or speculative purposes or otherwise; provided, further, that Permitted Equity Commitments, Permitted Project Undertakings, Permitted Deferred Acquisition Obligations and Project Obligations shall not constitute Indebtedness.

151 "**Indemnified Liabilities**" means, collectively, any and all liabilities, obligations, losses, damages (including natural resource damages), penalties, claims (including Environmental Claims), actions, judgments, suits, costs (including the costs of any investigation, study, sampling, testing, abatement, cleanup, removal, remediation or other response action necessary to remove, remediate, clean up or abate any Release or threatened Release of Hazardous Materials), expenses and disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for Indemnitees in connection with any investigative, administrative or judicial proceeding or hearing commenced or threatened by any Person, whether or not any such Indemnitee shall be designated as a party or a potential party thereto, and any fees or expenses incurred by Indemnitees in enforcing this indemnity), whether direct, indirect, special or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations and Environmental Laws), on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of (i) this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby (including the Lenders' agreement to make Loans, the syndication of the credit facilities provided for herein or the use or intended use of the proceeds thereof, any amendments, waivers or consents with respect to any provision of this Agreement or any of the other Credit Documents, or any enforcement of any of the Credit Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty)); (ii) the commitment letter (and any related fee or engagement letter) delivered by any Agent or any Lender to Borrower with respect to the transactions contemplated by this Agreement; or (iii) any Environmental Claim or the Release or threatened Release of Hazardous Materials relating to or arising from, directly or indirectly, any past or present activity, operation, land ownership, or practice of Holdings or any of its Subsidiaries. Notwithstanding any other provision of this Agreement, but without limiting the Credit Parties' obligations in the case of liabilities of Indemnitees to third parties and related losses, claims, damages and out-of-pocket expenses, the Credit Parties shall not be liable to any Indemnitee

for any indirect, consequential, special or punitive damages in connection with this Agreement or the transactions contemplated hereby; provided that nothing contained in the foregoing shall limit the Credit Parties' obligations to the extent such indirect, consequential, special or punitive damages are included in any third party claims in connection with the Credit Documents or constitute claims for which an Indemnitee is otherwise entitled to indemnification hereunder.

152 "**Indemnified Taxes**" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of Beneficiary under any Credit Document and (b) to the extent not otherwise described in (a), Other Taxes.

153 "**Indemnitee**" as defined in Section 10.3(a).

154 "**Ineligible Institution**" means those banks, financial institutions and other institutional lenders separately identified in writing by the Borrower to the Administrative Agent and the Arrangers on or prior to July 1, 2015 (it being understood that no such banks, financial institutions and other institutional lenders have been so identified).

155 "**Installment**" as defined in Section 2.9.

156 "**Intercompany Note**" means a promissory note substantially in the form of Exhibit H evidencing Indebtedness owed among Credit Parties and their Subsidiaries.

157 "**Interest Payment Date**" means with respect to (i) any Loan that is a Base Rate Loan, the last Business Day of March, June, September and December of each year, commencing on the first such date to occur after the Closing Date and the final maturity date of such Loan; and (ii) any Loan that is a Eurodollar Rate Loan, the last day of each Interest Period applicable to such Loan; provided, in the case of each Interest Period of longer than three months, "Interest Payment Date" shall also include each date that is three months, or an integral multiple thereof, after the commencement of such Interest Period.

158 "**Interest Period**" means, in connection with a Eurodollar Rate Loan, an interest period of one, two, three or six months, as selected by Borrower in the applicable Funding Notice or Conversion/Continuation Notice, (i) initially, commencing on the Closing Date or Conversion/ Continuation Date thereof, as the case may be; and (ii) thereafter, commencing on the day on which the immediately preceding Interest Period expires; provided (a) if an Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day unless no further Business Days occur in such month, in which case such Interest Period shall expire on the immediately preceding Business Day and (b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

159 "**Interest Rate Agreement**" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement.

160 "**Interest Rate Determination Date**" means, with respect to any Interest Period, the date that is two Business Days prior to the first day of such Interest Period.

161 "**Internal Revenue Code**" means the Internal Revenue Code of 1986, as amended to the date hereof and from time to time hereafter (unless as indicated otherwise).

162 "**Investment**" means (i) any direct or indirect purchase or other acquisition by Borrower or any of its Subsidiaries of, or of a beneficial interest in, any of the Securities of any other Person (other than a Guarantor Subsidiary); (ii) any direct or indirect redemption, retirement, purchase or other acquisition for value, by Borrower or any Subsidiary of Borrower from any Person (other than any Guarantor), of any Equity Interests of such Person; (iii) any direct or indirect loan, advance (other than advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contributions by Borrower or any of its Subsidiaries to any other Person (other than any Guarantor), including all indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary course of business, (iv) any cancellation of Indebtedness by Borrower or any Subsidiary of Borrower in favor of any other Person (other than any Guarantor), other than the settlement of trade obligations in the ordinary course of business and (v) all investments consisting of any exchange-traded or over-the-counter derivative transaction, including any Interest Rate Agreement and Currency Agreement, whether entered into for hedging or speculative purposes or otherwise. The amount of any Investment of the type described in clauses (i), (ii) and (iii) shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment, but deducting therefrom the amount of any repayments or distributions received on account of such Investment by, or the return on or of capital with respect to, such Investment to, the Person making such Investment. For the avoidance of doubt, neither any Permitted Project Undertakings nor any payment pursuant to and in accordance with the terms thereof shall be deemed to constitute an Investment.

163 "**Joint Venture**" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form; provided in no event shall any corporate Subsidiary of any Person be considered to be a Joint Venture to which such Person is a party. The Joint Ventures in which the Borrower has indirectly invested as of the Closing Date are set forth in Schedule 4.1.

164 "**Latest Maturity Date**" means, at any date of determination, the latest maturity or expiration date applicable to any Loan or Commitment hereunder at such time, as extended in accordance with this Agreement from time to time.

165 "**Lender**" means each financial institution listed on the signature pages hereto as a Lender, and any other Person that becomes a party hereto pursuant to an Assignment Agreement.

166 "**Lender Counterparty**" means each Lender, each Agent and each of their respective Affiliates counterparty to a Hedge Agreement (including any Person who is an Agent or a Lender (and any Affiliate thereof) as of the Closing Date but subsequently, whether before or after entering into a Hedge Agreement, ceases to be an Agent or a Lender, as the case may be); provided, at the time of entering into a Hedge Agreement, no Lender Counterparty shall be a Defaulting Lender.

167 "**Lien**" means (i) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease or license in the nature thereof) and any option,

trust or other preferential arrangement having the practical effect of any of the foregoing and (ii) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities.

168 “**Loan**” means a Loan made by a Lender to Borrower pursuant to Section 2.1(a) on the Closing Date.

169 “**Macquarie Capital**” as defined in the preamble hereto.

170 “**Margin Stock**” as defined in Regulation U.

171 “**Market-Based Rate Authorizations**” as defined in Section 4.26(d).

172 “**Master Agreement**” has the meaning specified in the definition of the term “Swap Contract.”

173 “**Material Adverse Effect**” means a material adverse effect on and/or material adverse developments with respect to (i) the business, operations, properties, assets or condition (financial or otherwise) of Holdings and its Subsidiaries taken as a whole; (ii) the ability of the Credit Parties (taken as a whole) to fully and timely perform their Obligations; (iii) the legality, validity, binding effect or enforceability against a Credit Party of a Credit Document to which it is a party; or (iv) the rights, remedies and benefits available to, or conferred upon, any Agent and any Lender or any Secured Party under any Credit Document.

174 “**Material Contract**” means any power purchase agreement, any tax equity document, any material definitive credit or loan agreement with respect to Non-Recourse Project Indebtedness and any contract or other arrangement, in each case, to which Borrower or any of its Subsidiaries is a party (other than the Credit Documents) for which breach, nonperformance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

175 “**Maturity Date**” means the earlier of (a) January 15, 2017, subject to extension pursuant to Section 2.22, and (b) the date on which all Loans shall become due and payable in full hereunder, whether by acceleration or otherwise.

176 “**MLPFS**” as defined in the preamble hereto.

177 “**Moody’s**” means Moody’s Investors Service, Inc.

178 “**Morgan Stanley**” as defined in the preamble hereto.

179 “**Multiemployer Plan**” means any Employee Benefit Plan which is a “multiemployer plan” as defined in Section 3(37) of ERISA.

180 “**Narrative Report**” means, with respect to the financial statements for which such narrative report is required, a narrative report describing the operations of Holdings and its Subsidiaries in the form prepared for presentation to senior management thereof for the applicable month, Fiscal Quarter or Fiscal Year and for the period from the beginning of the then current Fiscal Year to the end of such period to which such financial statements relate.

181 "**Net Asset Sale Proceeds**" means, the aggregate cash proceeds received by Borrower or any of its Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration or Cash Equivalents substantially concurrently received in any Asset Sale), net of (i) the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, all distributions and other payments required to be made to minority interest holders (other than Borrower or any Subsidiary of Borrower) in Subsidiaries or Joint Ventures as a result of such Asset Sale, and any reserve against liabilities associated with such Asset Sale, including pension and other post-employment benefit liabilities, liabilities related to environmental matters and indemnification obligations associated with such Asset Sale, with any subsequent reduction of the reserve other than by payments made and charged against the reserved amount to be deemed a receipt of cash and (ii) the payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Non-Recourse Project Indebtedness that is secured by a Lien on the assets subject, directly or indirectly, to the Asset Sale and that is required to be repaid under the terms thereof.

182 "**Net Insurance/Condemnation Proceeds**" means an amount equal to: (i) any Cash payments or proceeds received by Borrower or any of its Subsidiaries (a) under any casualty insurance policy in respect of a covered loss thereunder or (b) as a result of the taking of any assets of Borrower or any of its Subsidiaries by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, minus (ii) (a) any actual and reasonable costs incurred by Borrower or any of its Subsidiaries in connection with the adjustment or settlement of any claims of Borrower or such Subsidiary in respect thereof, (b) any bona fide direct costs incurred in connection with any sale of such assets as referred to in clause (i)(b) of this definition, including income taxes payable as a result of any gain recognized in connection therewith and (c) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Non-Recourse Project Indebtedness that is secured by a Lien on the assets subject to the events described in clauses (i)(a) and (i)(b) above that is required to be repaid under the terms thereof.

183 "**Net Mark-to-Market Exposure**" of a Person means, as of any date of determination, the excess (if any) of all unrealized losses over all unrealized profits of such Person arising from Hedge Agreements or other Indebtedness of the type described in clause (xii) of the definition thereof. As used in this definition, "unrealized losses" means the fair market value of the cost to such Person of replacing such Hedge Agreement or such other Indebtedness as of the date of determination (assuming the Hedge Agreement or such other Indebtedness were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain to such Person of replacing such Hedge Agreement or such other Indebtedness as of the date of determination (assuming such Hedge Agreement or such other Indebtedness was to be terminated as of that date).

184 "**Net Non-Operating Capital Events Proceeds**" means, the aggregate cash proceeds received by Borrower or any of its Subsidiaries in respect of any Non-Operating Capital Events, net of (i) the direct costs relating to such Non-Operating Capital Event, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of such Non-Operating Capital Event, taxes paid or payable as a result of such Non-Operating Capital Event, all distributions and other payments required to be made to minority interest holders (other than Borrower or any Subsidiary of Borrower) in Subsidiaries or

Joint Ventures as a result of such Non-Operating Capital Event, and any reserve against liabilities associated with such Non-Operating Capital Event, including pension and other post-employment benefit liabilities, liabilities related to environmental matters and indemnification obligations associated with such Non-Operating Capital Event, with any subsequent reduction of the reserve other than by payments made and charged against the reserved amount to be deemed a receipt of cash and (ii) the payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Non-Recourse Project Indebtedness that is secured by a Lien on the assets subject to such Non-Operating Capital Events that is required to be repaid under the terms thereof.

185 "**New Bishop Hill Debt**" means the Non-Recourse Indebtedness that is described under the heading "Bishop Hill" on Schedule 4.16.

186 "**Non-Consenting Lender**" as defined in Section 2.20.

187 "**Non-Defaulting Lender**" means, at any time, each Lender that is not a Defaulting Lender at such time.

188 "**Non-Operating Capital Event**" means any termination, unwind or similar payments in respect of power purchase agreements, hedges, indemnification payments under material contracts or any other similar event resulting from the acceleration of termination of other contracts other than in the ordinary course of business.

189 "**Non-Public Information**" means material non-public information (within the meaning of United States federal, state or other applicable securities laws) with respect to Borrower or its Affiliates or their Securities.

190 "**Non-Recourse Project Indebtedness**" means Indebtedness of a Non-Recourse Subsidiary owed to an unrelated Person with respect to which the creditor has no recourse (including by virtue of a Lien, guarantee or otherwise) to Borrower or any other Credit Party other than recourse (a) in respect of any acquisition or contribution agreement with respect to any Investment permitted hereunder entered into by Borrower or any other Credit Party or (b) pursuant to Permitted Project Undertakings or Permitted Equity Commitments.

"**Non-Recourse Subsidiary**" means:

(a) any Subsidiary of Borrower that (i) is owned, directly or indirectly, by a Project Holdco, (ii)(x) is the owner, lessor and/or operator of one or more Clean Energy Systems, (y) the lessee or borrower in respect of Non-Recourse Project Indebtedness financing one or more Clean Energy Systems, and/or (z) develops or constructs one or more Clean Energy Systems, (iii) has no Subsidiaries and owns no material assets other than those assets necessary for the ownership, leasing, development, construction or operation of such Clean Energy Systems and (iv) has no Indebtedness other than intercompany Indebtedness to the extent permitted hereunder and Non-Recourse Project Indebtedness; and

(b) any Subsidiary that (i) is the direct or indirect owner of all or a portion of the Equity Interests in one or more Persons, each of which meets the qualifications set forth in clause (a) above, (ii) has no Subsidiaries other than Subsidiaries each of which meets the qualifications set forth in clause (a) or clause (b)(i) above, (iii) owns no material assets other than those assets necessary for the ownership, leasing, development, construction or operation of Clean Energy Systems, (iv) has no Indebtedness other than intercompany Indebtedness to the extent permitted hereunder and Non-Recourse Project Indebtedness, (v) is not a direct Subsidiary of Borrower and (vi) after the use of commercially reasonable efforts by the Credit Parties after the Closing Date, is not permitted to become a Guarantor or pledge the Equity Interests or other assets it owns as contemplated herein; provided, however, that the provisions of the foregoing clause (vi) shall not apply to any Excluded Subsidiary. For the avoidance of doubt, no Project Holdco shall be deemed a Non-Recourse Subsidiary.

"**Non-Recourse Subsidiary Pledgee**" means each of the following: (i) TerraForm Utility Solar XIX Manager, LLC; (ii) First Wind Panhandle Holdings II, LLC; (iii) California Ridge Class B Holdings LLC; (iv) TerraForm IWG Acquisition Holdings, LLC; (v) Invenergy Prairie Breeze Holdings LLC; (vi) Prairie Breeze Expansion Class B Holdings, LLC; (vii) TerraForm IWG Ontario Holdings Parent, LLC; (viii) TerraForm IWG Acquisition Holdings II Parent, LLC; and (ix) any other direct Subsidiary of any Guarantor.

191 "**Non-U.S. Lender**" as defined in Section 2.17(c).

192 "**Note**" means a promissory note in the form of Exhibit B, as it may be amended, restated, supplemented or otherwise modified from time to time.

193 "**Notice**" means a Funding Notice or a Conversion/Continuation Notice.

194 "**Obligations**" means all obligations of every nature of each Credit Party, including obligations from time to time owed to Agents (including former Agents), Lenders or any of them and Lender Counterparties, under any Credit Document or Hedge Agreement, whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Credit Party, would have accrued on any Obligation, whether or not a claim is allowed against such Credit Party for such interest in the related bankruptcy proceeding), settlement payments or payments for early termination of Hedge Agreements, fees, expenses, indemnification or otherwise; provided, further, that Obligations of any Guarantor shall not include any Excluded Hedge Obligations of such Guarantor.

195 "**Obligee Guarantor**" as defined in Section 7.7.

196 "**Ontario Acquisition**" as defined in "Closing Date Material Adverse Effect".

197 "**Ontario Acquisition Agreement**" means that certain Raleigh Asset Purchase and Sale Agreement, dated June 30, 2015, relating to certain Ontario, Canada projects, entered into by and between Invenergy Wind Canada Green Holdings ULC, Invenergy Wind Global LLC, Marubeni Corporation, Caisse de dépôt et placement du Québec and TerraForm IWG Ontario Holdings, LLC (as amended by that certain First Amending Agreement dated as of December 15, 2015).

198 "**Organizational Documents**" means (i) with respect to any corporation or company, its certificate, memorandum or articles of incorporation, organization or association, as amended, and its by-laws, as amended, (ii) with respect to any limited partnership, its certificate or declaration of limited partnership, as amended, and its partnership agreement, as amended, (iii) with respect to any general partnership, its partnership agreement, as amended, and (iv) with respect to any limited liability company, its articles of organization, as amended, and its operating agreement, as amended.

In the event any term or condition of this Agreement or any other Credit Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such Organizational Document shall only be to a document of a type customarily certified by such governmental official.

199 “**Other Connection Taxes**” means, with respect to any Beneficiary, Taxes imposed as a result of a present or former connection between such Beneficiary and the jurisdiction imposing such Tax (other than connections arising from such Beneficiary having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Commitment or Credit Document).

200 “**Other Taxes**” means any and all present or future stamp, court, recording, filing or documentary Taxes or any other excise or property Taxes, charges or similar levies (and interest, fines, penalties and additions related thereto) arising from any payment made hereunder or from the execution, delivery, perfection of a security interest under or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.20).

201 “**Participant Register**” as defined in Section 10.6(g)(i).

202 “**PATRIOT Act**” as defined in Section 3.1(o).

203 “**PBGC**” means the Pension Benefit Guaranty Corporation or any successor thereto.

204 “**Pension Plan**” means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to Section 412 or Section 430 of the Internal Revenue Code or Section 302 or Section 303 of ERISA.

“**Permitted Business**” means any Person engaged only in the businesses, services or activities described in Section 6.7.

205 “**Permitted Debt**” as defined in Section 6.1(a).

206 “**Permitted Deferred Acquisition Obligation”** means an obligation of Holdings or any of its Subsidiaries to pay the purchase price for the acquisition of a Person or assets over time or upon the satisfaction of certain conditions, so long as such acquisition is otherwise permitted hereunder.

207 “**Permitted Equity Commitments**” means obligations of Borrower or any of its Subsidiaries to make any payment in respect of any Equity Interest in any Non-Recourse Subsidiary (and any guarantee by Borrower or any of its Subsidiaries of such obligations) as long as each such payment in respect of such Equity Interest constitutes an Investment expressly permitted by Section 6.6; provided, however, that in no event shall any Credit Party guarantee the obligations of any Subsidiary of the Borrower that is not also a Subsidiary of such Credit Party.

208 “**Permitted Holder**” means (i) SunEdison or any of its Controlled Affiliates and (ii) TerraForm Power, Inc. or any of its Controlled Affiliates.

209 "**Permitted Intercompany Indebtedness**" as defined in Section 6.1(a)(xviii).

210 "**Permitted Investment**" means:

211 (1) any Investment in the Borrower or any Restricted Subsidiary;

212 (2) any Investment in cash or Cash Equivalents;

213 (3) reserved;

214 (4) any Investment existing on the Closing Date and any extension, modification or renewal of any such Investments (but not any such extension, modification or renewal to the extent it involves additional advances, contributions or other investments of cash or property, except as otherwise permitted under this Agreement);

215 (5) any Investments received in compromise or resolutions of (i) obligations of trade creditors or customers that were incurred in the ordinary course of business or (ii) litigation, arbitration or other disputes;

216 (6) obligations in respect of Hedge Agreements permitted under Section 6.1(a)(xi);

217 (7) any Investment in prepaid expenses, negotiable instruments held for collection and lease, utility, workers' compensation and performance and other similar deposits made in the ordinary course of business;

218 (8) loans or advances to employees made in the ordinary course of business in an aggregate principal amount not to exceed $10,000,000 at any one time outstanding;

219 (9) any guarantee of Indebtedness permitted to be incurred under Sections 6.1(a)(xii) and 6.1(a)(xv) (other than Indebtedness under any Non-Recourse Project Indebtedness) and any guarantee of performance obligations in the ordinary course of business;

220 (10) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

221 (11) extensions of credit to (and guarantees to the benefit of) customers and suppliers in the ordinary course of business including, advances to customers and suppliers that are recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of the Borrower and its Restricted Subsidiaries in the ordinary course of business; and

222 (12) other Investments made since the Closing Date in any Person having an aggregate Fair Market Value at any time outstanding (measured, with respect to each Investment, on the date such Investment was made and without giving effect to subsequent changes in value) not to exceed $15,000,000; provided that if any Investment pursuant to this clause (12) is made in any Person that is not a Restricted Subsidiary of the Borrower at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Borrower after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and not this clause (12).

223 "**Permitted Liens**" means:

224 (1) Liens securing the Obligations;

225 (2) Liens on property (including Equity Interests) of a Person existing at the time such Person becomes a Restricted Subsidiary or is merged with or into or consolidated with Borrower or any of its Subsidiaries; provided that such Liens were in existence prior to the contemplation of such Person becoming a Subsidiary or such merger or consolidation, were not incurred in contemplation thereof and do not extend to any assets other than those of the Person that becomes a Subsidiary or is merged with or into or consolidated with Borrower or any Subsidiary;

226 (3) Liens on property existing at the time Borrower or any of its Subsidiaries acquires such property; provided that such Liens were in existence prior to the contemplation of such acquisition, were not incurred in contemplation thereof and do not extend to any other assets of Borrower or any of its Subsidiary;

227 (4) Liens securing Indebtedness under Bank Product Obligations, cash pooling arrangements and Hedge Agreements, which obligations are permitted by Section 6.1(a)(xi) and Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

228 (5) Liens existing on the Closing Date and specified on Schedule 1.1C;

229 (6) Liens in favor of any Credit Party;

230 (7) Liens for Taxes (i) that are not due and payable and (ii) if obligations with respect to such Taxes are being contested in good faith by appropriate proceedings and adequate reserves have been made in accordance with GAAP, statutory Liens of landlords, banks (and rights of set-off) of carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law;

231 (8) Liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return-of-money bonds and other similar or related obligations (exclusive of obligations for the payment of borrowed money or other Indebtedness);

232 (9) reserved;

233 (10) Liens on the Equity Interests or assets of any Non-Recourse Subsidiaries (other than Non-Recourse Subsidiary Pledgee) securing Non-Recourse Project Indebtedness of such Non-Recourse Subsidiaries;

234 (11) any other Liens securing Indebtedness permitted under Section 6.1(a)(iii) or Section 6.1(a)(xiv);

235 (12) Liens granted in favor of a Governmental Authority, including any decommissioning obligations, by a Non-Recourse Subsidiary (other than any Non-Recourse

Subsidiary Pledgee) when required by such Governmental Authority in connection with the operations of such Non-Recourse Subsidiary in the ordinary course of its business;

236 (13) Liens on the property of any Non-Recourse Subsidiary (other than any Non-Recourse Subsidiary Pledgee) securing performance of obligations under power purchase agreements and agreements for the purchase and sale of energy and renewable energy credits, climate change levy exemption certificates, embedded benefits and other environmental attributes, in each case, related to such Non-Recourse Subsidiary;

237 (14) any interest or title of a lessor or sublessor under any lease or sublease of real estate permitted hereunder (or with respect to any deposits or reserves posted thereunder);

238 (15) Liens solely on any cash earnest money deposits made by Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

239 (16) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

240 (17) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

241 (18) any zoning or similar law or right reserved to or vested in any government office or agency to control or regulate the use of any real property;

242 (19) non-exclusive outbound licenses of patents, copyrights, trademarks and other intellectual property rights granted by Borrower or any of its Subsidiaries in the ordinary course of business and not interfering in any respect with the ordinary conduct of or materially detracting from the value of the business of Borrower or such Subsidiary;

243 (20) Liens given to a public authority or other service provider or any other Governmental Authority by a Non-Recourse Subsidiary (other than any Non-Recourse Subsidiary Pledgee) when required by such public authority or other service provider or other Governmental Authority in connection with the operations of such Non-Recourse Subsidiary in the ordinary course of business;

244 (21) any agreement to lease, option to lease, license, sub-lease or other right to occupancy assumed or entered by or on behalf of Borrower or any Subsidiary in the ordinary course of its business;

245 (22) reservations, limitations, provisos and conditions, if any, expressed in any grants, permits, licenses or approvals from any Governmental Authority or any similar authority;

246 (23) Liens in the nature of restrictions on changes in the direct or indirect ownership or control of any Non-Recourse Subsidiary;

247 (24) Liens in the nature of rights of first refusal, rights of first offer, purchase options and similar rights in respect of the Equity Interests or assets of Non-Recourse Subsidiaries (other than any Non-Recourse Subsidiary Pledgee) included in documentation evidencing

contemplated purchase and sale transactions permitted under this Agreement or any Non-Recourse Project Indebtedness or any Project Obligations related to such Non-Recourse Subsidiary;

248 (25) Liens securing insurance premium financing arrangements;

249 (26) Liens in favor of credit card companies pursuant to agreements therewith;

250 (27) reserved;

251 (28) any Lien securing Refinancing Indebtedness incurred to refinance Indebtedness that was previously so secured, and permitted to be so secured, by this Agreement; provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced;

252 (29) Liens on assets pursuant to the Acquisition Agreements and any other merger agreements, stock or asset purchase agreements and similar agreements in respect of the disposition of such assets permitted hereunder;

253 (30) minor survey exceptions, minor encumbrances, minor defects or irregularities in title, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property, not interfering in any material respect with the conduct of the business of Holdings and its Subsidiaries;

254 (31) Liens deemed to exist in connection with repurchase agreements and other similar Investments to the extent such Investments are permitted under this Agreement;

255 (32) Liens on the Equity Interests of any Unrestricted Subsidiary or Joint Venture to secure Indebtedness of such Unrestricted Subsidiary or Joint Venture; and

256 (33) Liens securing Indebtedness in an aggregate principal amount not to exceed, as of the date of incurrence of such Lien or Indebtedness secured thereby, $15,000,000.

257 "**Permitted Project Undertakings**" means guarantees by or obligations of (i) Borrower or any its Subsidiaries in respect of Permitted Deferred Acquisition Obligations (provided, however, that in no event shall any Credit Party guarantee or otherwise assume the obligations of any Subsidiary of the Borrower that is not also a Subsidiary of such Credit Party) and (ii) any Non-Recourse Subsidiary or any of such Non-Recourse Subsidiary's subsidiaries in respect of Project Obligations relating to any of such Non-Recourse Subsidiary's subsidiaries.

258 "**Permitted Tax Distributions**" means, with respect to any taxable period ending after the date hereof for which Borrower is treated as a pass-through entity for U.S. federal income tax purposes, cash dividends or other distributions or loans declared and paid by Borrower to Holdings and, with respect to any taxable period ending after the date hereof for which Holdings is treated as a pass-through entity for U.S. federal income tax purposes, cash dividends or other distributions declared and paid, or loans made, by Holdings to the members of Holdings, in each case, for the sole purpose of funding the payments by the direct or indirect owners of Holdings of

the Taxes owed with respect to their respective allocable shares of the taxable net income for such period of Holdings and any of its Subsidiaries treated as pass through entities for U.S. federal income tax purposes (whether owned by Holdings directly or through other pass-through entities), provided that such dividends or other distributions shall not exceed, in any taxable period, the product of (a) the highest marginal effective combined Tax rates then in effect under the Internal Revenue Code and under the laws of any state and local taxing jurisdictions in which any member is required to pay income Taxes with respect to Holdings' and such Subsidiaries' combined net income (taking into account the deductibility of state and local taxes in computing federal income taxes) and (b) net taxable income of Holdings and such Subsidiaries for such taxable period (computed as if they were a single corporation) reduced by any net losses or credits or other tax attributes of Holdings or any such Subsidiary carried over from prior periods ending on or after the Closing Date, to the extent not previously taken into account in computing payments under this clause (b).

259 "**Person**" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

260 "**Platform**" as defined in Section 5.1(n).

261 "**Pledge and Security Agreement**" means the Pledge and Security Agreement, executed by Borrower and each Guarantor in favor of the Collateral Agent, as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

262 "**Post-Closing Acquisition**" means the acquisition by Borrower on each Funds Release Date of one or more Post-Closing Acquisition Projects.

263 "**Post-Closing Acquisition Projects**" means the projects more particularly described on Schedule 1.1B hereto.

264 "**Preferred Equity**" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

265 "**Prime Rate**" means the rate of interest quoted in the print edition of *The Wall Street Journal*, Money Rates Section as the Prime Rate (currently defined as the base rate on corporate loans posted by at least 75% of the nation's thirty (30) largest banks), as in effect from time to time. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. The Administrative Agent or any other Lender may make commercial loans or other loans at rates of interest at, above or below the Prime Rate.

266 "**Principal Office**" means, the Administrative Agent's "Principal Office" as set forth on Appendix B, or such other office or office of a third party or sub-agent, as appropriate, as the Administrative Agent may from time to time designate in writing to Borrower and each Lender.

267 "**Projects**" means, collectively, the Closing Date Acquisition Projects and the Post-Closing Date Acquisition Projects.

268 "**Project Deposit Account**" as defined in Section 5.16.

269 “**Project CAFD**” means, for any period, an amount equal to (a) the amount of dividends paid in cash to Borrower by its Subsidiaries during such period to the extent not funded directly with the proceeds of an Investment by Borrower and deposited into the Project Deposit Account, plus (b) the amount of payments received in cash by Borrower in repayment of good faith loans made by Borrower to Borrower’s Subsidiaries and deposited into the Project Deposit Account, plus (c) the amount of payments received in cash by Borrower arising out of the ordinary course settlement of Hedge Agreements (less any cash losses incurred by Borrower relating to the ordinary course settlement of Hedge Agreements) and deposited into the Project Deposit Account, plus (d) the amount of payments received in cash by Borrower from other Investments (to the extent not funded directly with the proceeds of an Investment by Borrower) and good faith Contractual Obligations permitted by this Agreement and deposited into the Project Deposit Account, plus (e) only in the case of the Fiscal Quarter ended March 31, 2016, $2,000,000. For the avoidance of doubt, Project CAFD shall exclude the sum, without duplication, of the following expenses, in each case to the extent paid in cash by Borrower or Holdings during any period and regardless of whether any such amount was accrued during such period: (i) income tax expense and Permitted Tax Distributions of Holdings and its Subsidiaries, (ii) corporate overhead expense of Borrower and Holdings for such period, (iii) any amounts received during such period and required to be applied to the prepayment of the Loans in accordance with Section 2.11 and (iv) any Extension Fee payable pursuant to Section 2.8(b). Notwithstanding the foregoing, Project CAFD (x) for the Fiscal Quarter ended June 30, 2015 shall be deemed to be $24,100,000, (y) for the Fiscal Quarter ended September 30, 2015 shall be deemed to be $8,400,000, and (z) for the Fiscal Quarter ended December 31, 2015 shall be deemed to be $15,200,000.

270 “**Project Holdco**” means, (i) on and after the Closing Date, (A) in the case of the US Utility Fund Project, TerraForm Utility Solar XIX Holdings, LLC, (B) in the case of the California Ridge Project and Prairie Breeze Project, TerraForm IWG Acquisition Holdings III, LLC, (C) in the case of the Rattlesnake Project, TerraForm IWG Acquisition Holdings, LLC, (D) in the case of the Raleigh Project, TerraForm IWG Ontario Holdings Grandparent, LLC, and (E) in the case of the Bishop Hill Project, TerraForm IWG Acquisition Ultimate Holdings II, LLC, and (ii) on and after the applicable Funds Release Date for the Post-Closing Acquisition Project, (A) in the case of the South Plains I Project, FW Panhandle Portfolio II, LLC, and (B) in the case of Prairie Breeze II Project and Prairie Breeze III Project, TerraForm IWG Acquisition Holdings III, LLC.

“**Project Obligations**” means, as to any Non-Recourse Subsidiary, any Contractual Obligation of such Person under power purchase agreements; agreements for the purchase and sale of energy and renewable energy credits, climate change levy exemption certificates embedded benefits and other environmental attributes; decommissioning agreements; tax indemnities; operation and maintenance agreements; leases; development contracts; construction contracts; management services contracts; share retention agreements; warranties; bylaws, operating agreements, joint development agreements and other organizational documents; and other similar ordinary course contracts entered into in connection with owning, operating, developing or constructing Clean Energy Systems.

271 “**Projections**” as defined in Section 4.8.

272 “**Pro Rata Share**” means with respect to all payments, computations and other matters relating to the Loan of any Lender, the percentage obtained by dividing (a) the Exposure of that Lender by (b) the aggregate Exposure of all Lenders.

273 "**Public Lenders**" means Lenders that do not wish to receive Non-Public Information with respect to Holdings, its Subsidiaries or their Securities.

274 "**PUHCA**" as defined in Section 4.26(a).

275 "**PUHCA Exemption**" as defined in Section 4.26(c).

276 "**PUHCA Regulations**" as defined in Section 4.26(a).

277 "**PURPA**" as defined in Section 4.26(a).

278 "**PURPA Regulations**" as defined in Section 4.26(a).

279 "**QF**" as defined in Section 4.26(a).

280 "**QF Status**" as defined in Section 4.26(a).

281 "**Qualified ECP Guarantor**" means, in respect of any Swap Obligation, each Credit Party that has total assets exceeding $10,000,000 at the time the relevant Guaranty or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

282 "**Raleigh Seller**" means the Seller as defined in the Ontario Acquisition Agreement.

283 "**Rattlesnake PSA**" means that certain Amended and Restated Purchase and Sale Agreement, dated as of December 15, 2015, by and between Invenergy Wind Global LLC and TerraForm IWG Acquisition Holdings, LLC.

284 "**REC Hedge**" means any purchase, sale, swap, hedge or similar arrangement relating to renewable energy credits.

285 "**Refinancing Indebtedness**" means any Indebtedness that refinances any Indebtedness in compliance with Section 6.1; provided, however:

286 (a) such Refinancing Indebtedness has a stated maturity that is no earlier than the stated maturity of the Indebtedness being refinanced;

287 (b) such Refinancing Indebtedness has an average life at the time such Refinancing Indebtedness is incurred that is equal to or greater than the average life of the Indebtedness being refinanced;

288 (c) such Refinancing Indebtedness has an aggregate principal amount (or if issued with an original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value) then outstanding or committed (plus fees and expenses, including any premiums) under the Indebtedness being refinanced;

289 (d) if the Indebtedness being refinanced is subordinated Indebtedness, such Refinancing Indebtedness has a final maturity date later than the final maturity date of the Loans, and is subordinated in right of payment to the Loans on terms at least as favorable to the Lenders as those contained in the Indebtedness being refinanced; and

290 (e) if the Indebtedness being refinanced is Non-Recourse Project Indebtedness, such Refinancing Indebtedness is Non-Recourse Project Indebtedness incurred by the applicable Non-Recourse Subsidiaries;

291 provided, however, that Refinancing Indebtedness shall not include Indebtedness of (i) the Borrower or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary or (ii) the Borrower or a Guarantor that refinances Indebtedness of a Restricted Subsidiary that is not a Guarantor.

292 "**Register**" as defined in Section 2.4(b).

293 "**Regulation D**" means Regulation D of the Board of Governors, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

294 "**Regulation T**" means Regulation T of the Board of Governors, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

295 "**Regulation U**" means Regulation U of the Board of Governors, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

296 "**Regulation X**" means Regulation X of the Board of Governors, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

297 "**Related Fund**" means, with respect to any Lender that is an investment fund, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

298 "**Release**" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into the environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

299 "**Replacement Lender**" as defined in Section 2.20.

300 "**Requisite Lenders**" means one or more Lenders having or holding Exposure and representing more than 50% of the aggregate Exposure of all Lenders; provided that the amount of Exposure shall be determined by disregarding the Exposures of any Defaulting Lender.

301 "**Restricted Investment**" means any Investment other than a Permitted Investment.

302 "**Restricted Payments**" as defined in Section 6.3.

303 "**Restricted Subsidiary**" means any subsidiary other than an Unrestricted Subsidiary; provided that upon the occurrence of any Unrestricted Subsidiary ceasing to be an

Unrestricted Subsidiary, such subsidiary shall be included in the definition of "Restricted Subsidiary."

304 "**Sanctions**" as defined in Section 4.25.

305 "**S&P**" means Standard & Poor's, a Division of The McGraw-Hill Companies, Inc.

306 "**Secured Parties**" has the meaning assigned to that term in the Pledge and Security Agreement.

307 "**Securities**" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreements or arrangements, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

308 "**Securities Act**" means the Securities Act of 1933, as amended from time to time, and any successor statute.

309 "**Solvency Certificate**" means a Solvency Certificate of an Authorized Officer of Holdings (which Authorized Officer shall be familiar with the financial condition of Holding and its Subsidiaries) substantially in the form of Exhibit F.

310 "**Solvent**" means, with respect to all Credit Parties, on a consolidated basis, that as of the date of determination, both (i) (a) the sum of the Credit Parties' debt (including contingent liabilities) does not exceed the present fair saleable value of the Credit Parties' present assets; (b) the Credit Parties' capital is not unreasonably small in relation to their business as contemplated on the Closing Date and reflected in the Projections or with respect to any transaction contemplated to be undertaken after the Closing Date; and (c) the Credit Parties have not incurred and do not intend to incur, or believe (nor should it reasonably believe) that they will incur, debts beyond their ability to pay such debts as they become due (whether at maturity or otherwise); and (ii) the Credit Parties are "solvent" within the meaning given that term and similar terms under the Bankruptcy Code and other applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standards No. 5).

311 "**Special Prepayment Date**" shall mean, in the event any Post-Closing Acquisition has not been consummated on or prior to the nine-month anniversary of the Closing Date, such nine-month anniversary of the Closing Date.

312 "**Special Restricted Distribution**" means a distribution of cash held by Subsidiaries of Borrower as of the Closing Date (after giving effect to the acquisitions contemplated by the Acquisition Agreements and related transactions) to TerraForm Power in an amount not to exceed $31,000,000.

313 "**Specified Acquisition Agreement Representations**" means the representations made by or with respect to the Closing Date Acquisition Projects in the U.S. Acquisition Agreement and/or the Ontario Acquisition Agreement, as applicable, as are material to the interests of the Lenders and the Arrangers, in their capacities as such, but only to the extent that Borrower or its Affiliates have the right not to consummate the U.S. Acquisition and/or the Ontario Acquisition, as applicable, or to terminate their obligations (or otherwise do not have an obligation to close), under the U.S. Acquisition Agreement and/or the Ontario Acquisition Agreement (in each case in accordance with the terms of the applicable Acquisition Agreement(s)) as a result of a failure of such representations in the applicable Acquisition Agreement(s) to be true and correct.

314 "**Specified Representations**" means the representations and warranties contained in Sections 4.1(a) and (b), 4.3, 4.4(a)(i) and (ii), 4.4(b), 4.17, 4.18, 4.22 and 4.25.

315 "**State Electric Utility Regulations**" as defined in Section 4.26(e).

316 "**Stated Maturity**" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date of this Agreement, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

317 "**subsidiary**" means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided, (i) in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "qualifying share" of the former Person shall be deemed to be outstanding and (ii) any interests or rights held by tax equity investors representing tax equity interests shall be excluded from such calculation.

318 "**Subsidiary**" means, unless the context otherwise requires, a Restricted Subsidiary of Borrower. For purposes of Sections 4.2, 4.11, 4.12, 4.20, 4.23, 4.25, 4.26, 5.1(a), 5.1(b), 5.1(c), 5.1(d), 5.1(h), 5.3, 5.8, 5.9 and 5.15 only, references to Subsidiaries shall be deemed also to be references to Unrestricted Subsidiaries.

319 "**SunEdison**" means SunEdison, Inc., a Delaware corporation.

320 "**Swap Contract**" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "**Master Agreement**"), including any such obligations or liabilities under any Master Agreement.

321 "**Swap Obligation**" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

322 "**Tax**" means any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding (together with interest, penalties and other additions thereto) of any nature imposed by any Governmental Authority and whatever called, on whomsoever and wherever imposed, levied, collected, withheld or assessed.

323 "**Terminated Lender**" as defined in Section 2.20.

324 "**Term Loan Proceeds Account**" shall mean a deposit account maintained with Citi, subject to a First Priority Lien in favor of Collateral Agent and a control agreement in favor of Collateral Agent (in form and substance reasonably satisfactory to Collateral Agent), funded (and with amounts on deposit therein to be disbursed) in accordance with the terms of Section 2.21.

325 "**Term Loan Proceeds Amount**" shall mean an aggregate amount equal to $77,000,000, as such amount may be reduced from time to time pursuant to Section 2.21.

326 "**TerraForm PH II**" means TerraForm Private Holdings II, LLC, a Delaware limited liability company.

327 "**TerraForm Power**" means TerraForm Power, LLC, a Delaware limited liability company.

328 "**Test Period**" means with respect to any date of determination, the most recently ended four full consecutive fiscal quarters.

329 "**Transaction Costs**" means the fees, costs and expenses payable by Holdings, Borrower or any of Borrower's Subsidiaries on or before the Closing Date in connection with the transactions contemplated by the Credit Documents.

330 "**Type of Loan**" means with respect to any Loan, a Base Rate Loan or a Eurodollar Rate Loan.

331 "**UBSS**" as defined in the preamble hereto.

332 "**UCC**" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect from time to time in any applicable jurisdiction.

333 "**Unrestricted Subsidiary**" means any subsidiary of Borrower designated on Schedule 4.1 as an Unrestricted Subsidiary as of the date hereof or designated by an Authorized

Officer of Borrower as an Unrestricted Subsidiary pursuant to Section 5.13 subsequent to the date hereof, and any subsidiaries of any such designated Unrestricted Subsidiaries acquired or formed after such designation. Borrower may designate any subsidiary of Borrower (including any existing subsidiary and any newly acquired or newly formed subsidiary) to be an Unrestricted Subsidiary unless such subsidiary or any of its subsidiaries owns (a) a Project, or (b) any Equity Interests or Indebtedness of, or owns or holds any Lien on any property of, Borrower or any subsidiary of Borrower (other than any subsidiary of the subsidiary to be so designated); provided that (i) each of (A) the subsidiary to be so designated and (B) its subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of Borrower or any Restricted Subsidiary and (ii) Borrower may not designate any Project Holdco or any of their respective subsidiaries to be an Unrestricted Subsidiary.

334 "**U.S. Acquisition**" as defined in "Closing Date Material Adverse Effect".

335 "**U.S. Acquisition Agreement**" means, collectively, (1) the Bishop Hills PSA, (2) the CRPB PSA and (3) the Rattlesnake PSA.

336 "**U.S. Lender**" as defined in Section 2.17(c).

1.2. Accounting Terms. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Financial statements and other information required to be delivered by Holdings to Lenders pursuant to Section 5.1(a) and 5.1(b) shall be prepared in accordance with GAAP as in effect at the time of such preparation (and delivered together with the reconciliation statements provided for in Section 5.1(d), if applicable). Subject to the foregoing, calculations in connection with the definitions, covenants and other provisions hereof shall utilize accounting principles and policies in conformity with those used to prepare the Historical Financial Statements.

1.3. Interpretation, Etc. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word "include" or "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The terms lease and license shall include sub-lease and sub-license, as applicable. Unless otherwise specifically indicated, the term "consolidated" with respect to any Person refers to such Person consolidated with its Restricted Subsidiaries, and excludes from such consolidation any Unrestricted Subsidiary as if such Unrestricted Subsidiary were not an Affiliate of such Person.

SECTION 2. LOANS

2.1. Term Loans.

(a) Loan Commitments. Subject to the terms and conditions hereof, each Lender severally agrees to make, on the Closing Date, a Loan to Borrower in an amount equal to such Lender's Commitment. Borrower may make only one borrowing under the Commitment which shall be on the Closing Date. Any amount borrowed under this Section 2.1(a) and subsequently repaid or prepaid may not be reborrowed. Subject to Section 2.9, Section 2.10(a) and Section 2.11, all amounts owed hereunder with respect to the Loans shall be paid in full no later than the Maturity Date. Each Lender's Commitment shall terminate immediately and without further action on the Closing Date after giving effect to the funding of such Lender's Commitment on such date.

(b) Borrowing Mechanics for Term Loans.

(i) Borrower shall deliver to Administrative Agent a fully executed Funding Notice no later than (x) the Closing Date with respect to Base Rate Loans and (y) three Business Days prior to the Closing Date with respect to Eurodollar Rate Loans (or such shorter period as may be acceptable to Administrative Agent). Promptly upon receipt by Administrative Agent of such Funding Notice, Administrative Agent shall notify each Lender of the proposed borrowing.

(ii) Each Lender shall make its Loan available to Administrative Agent not later than 12:00 p.m. (New York City time) on the Closing Date, by wire transfer of same-day funds in Dollars, at the principal office designated by Administrative Agent. Upon satisfaction or waiver of the conditions precedent specified herein, Administrative Agent shall make the proceeds of the Loan available to Borrower on the Closing Date by causing an amount of same-day funds in Dollars, equal to the proceeds of all such Loans received by Administrative Agent from Lenders, to be credited to the account of Borrower at the Principal Office designated by Administrative Agent or to such other account as may be designated in writing to Administrative Agent by Borrower.

2.2. Pro Rata Shares; Availability of Funds.

(a) Pro Rata Shares. All Loans shall be made by Lenders simultaneously and proportionately to their respective Pro Rata Shares, it being understood that no Lender shall be responsible for any default by any other Lender in such other Lender's obligation to make a Loan requested hereunder nor shall any Commitment of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase participation required hereby.

(b) Availability of Funds. Unless Administrative Agent shall have been notified by any Lender prior to the Closing Date that such Lender does not intend to make available to Administrative Agent the amount of such Lender's Loan requested on the Closing Date, Administrative Agent may assume that such Lender has made such amount available to Administrative Agent on the Closing Date and Administrative Agent may, in its sole discretion, but shall not be obligated to, make available to Borrower a corresponding amount on the Closing Date. If such corresponding amount is not in fact made available to Administrative Agent by such Lender, Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender together with interest thereon, for each day from the Closing Date until the date such amount is paid to Administrative Agent, at the customary rate set by Administrative Agent for the correction of errors among banks for three Business Days and thereafter at the Base Rate. In the event that (i) a Lender fails to fund to Administrative Agent all or any portion of the Loans required to be funded by such Lender hereunder prior to the time specified in this Agreement and (ii) such Lender's failure results in Administrative Agent failing to make a corresponding amount available to Borrower on the Closing Date, at Administrative Agent's option, such Lender shall not receive interest hereunder with respect to the requested amount of such Lender's Loans for the period commencing with the time specified in this Agreement for receipt of payment by the Borrower through and including the time of Borrower's receipt of the requested amount. If such Lender does not pay such corresponding amount forthwith upon Administrative Agent's demand therefor, Administrative Agent shall promptly notify Borrower and Borrower shall immediately pay such corresponding amount to Administrative Agent together with interest thereon, for each day from the Closing Date until the date such amount is paid to Administrative Agent, at the rate payable hereunder for Base Rate Loans. Nothing in this Section 2.2(b) shall be deemed to relieve any Lender from its obligation to fulfill its Commitments hereunder or to prejudice any rights that Borrower may have against any Lender as a result of any default by such Lender hereunder.

2.3. Use of Proceeds. The proceeds of the Term Loans made on the Closing Date shall be used by Borrower for the following purposes of the Borrower not in contravention of any law: (a) to partially fund the Acquisition, (b) to fund the Term Loan Proceeds Account in connection with the Post-Closing Acquisitions and (c) to pay fees and expenses payable hereunder and in connection with the Acquisition.

2.4. Evidence of Debt; Register; Lenders' Books and Records; Notes.

(a) Lenders' Evidence of Debt. Each Lender shall maintain on its internal records an account or accounts evidencing the Obligations of Borrower to such Lender, including the amounts of the Loans made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on Borrower, absent manifest error; provided that the failure to make any such recordation, or any error in such recordation, shall not affect Borrower's Obligations in respect of any applicable Loans; provided, further, in the event of any inconsistency between the Register and any Lender's records, the recordations in the Register shall govern.

(b) Register. Administrative Agent (or its agent or sub-agent appointed by it), acting solely for this purpose as the agent of Borrower, shall maintain at its Principal Office a register for the recordation of the names and addresses of Lenders and the Loans of each Lender from time to time (the "**Register**"). The Register shall be available for inspection by Borrower or any Lender (with respect to (i) any entry relating to such Lender's Loans and (ii) the identity of the other Lenders (but not any information with respect to such other Lenders' Loans)) at any reasonable time and from time to time upon reasonable prior notice. Administrative Agent shall record, or shall cause to be recorded, in the Register the Loans in accordance with the provisions of Section 10.6, and each repayment or prepayment in respect of the principal amount of the Loans. The entries in the Register shall be conclusive, absent manifest error, and binding on Borrower, each Lender and Administrative Agent. The Borrower, each Lender and Administrative Agent shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. Borrower hereby designates Administrative Agent to serve as Borrower's agent solely for purposes of maintaining the Register as provided in this Section 2.4, and Borrower hereby agrees that, to the extent Administrative Agent serves in such capacity, Administrative Agent and its officers, directors, employees, agents, sub-agents and affiliates shall constitute "Indemnitees."

(c) Notes. If so requested by any Lender by written notice to Borrower (with a copy to Administrative Agent) at least two Business Days prior to the Closing Date, or at any time thereafter, Borrower shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Lender pursuant to Section 10.6) on the Closing Date (or, if such notice is delivered after the Closing Date, promptly after Borrower's receipt of such notice) a Note or Notes to evidence such Lender's Loan.

2.5. Interest on Loans.

(a) Except as otherwise set forth herein, each Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof (i) if a Base Rate Loan, at the Base Rate plus the Applicable Margin; or (ii) if a Eurodollar Rate Loan, at the Adjusted Eurodollar Rate plus the Applicable Margin.

(b) The basis for determining the rate of interest with respect to any Loan, and the Interest Period with respect to any Eurodollar Rate Loan, shall be selected by Borrower and notified to Administrative Agent and Lenders pursuant to the applicable Funding Notice or Conversion/Continuation Notice, as the case may be.

(c) In connection with Eurodollar Rate Loans there shall be no more than five (5) Interest Periods outstanding at any time. In the event Borrower fails to specify between a Base Rate Loan or a Eurodollar Rate Loan in the applicable Funding Notice or Conversion/Continuation Notice, such Loan (if outstanding as a Eurodollar Rate Loan) will be automatically converted into a Base Rate Loan on the last day of the then-current Interest Period for such Loan (or if outstanding as a Base Rate Loan will remain as, or (if not then outstanding) will be made as, a Base Rate Loan). In the event Borrower fails to specify an Interest Period for any Eurodollar Rate Loan in the applicable Funding Notice or Conversion/Continuation Notice, Borrower shall be deemed to have selected an Interest Period of one month. As soon as practicable after 10:00 a.m. (New York City time) on each Interest Rate Determination Date, Administrative Agent shall determine (which determination shall, absent manifest error, be final, conclusive and binding upon all parties) the interest rate that shall apply to the Eurodollar Rate Loans for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to Borrower and each Lender.

(d) Interest payable pursuant to Section 2.5(a) shall be computed (i) in the case of Base Rate Loans on the basis of a 365-day or 366-day year, as the case may be, and (ii) in the case of Eurodollar Rate Loans, on the basis of a 360-day year, in each case for the actual number of days elapsed in the period during which it accrues. In computing interest on any Loan, the date of the making of such Loan or the first day of an Interest Period applicable to such Loan or the last Interest Payment Date with respect to such Loan or, with respect to a Base Rate Loan being converted from a Eurodollar Rate Loan, the date of conversion of such Eurodollar Rate Loan to such Base Rate Loan, as the case may be, shall be included, and the date of payment of such Loan or the expiration date of an Interest Period applicable to such Loan or, with respect to a Base Rate Loan being converted to a Eurodollar Rate Loan, the date of conversion of such Base Rate Loan to such Eurodollar Rate Loan, as the case may be, shall be excluded; provided if a Loan is repaid on the same day on which it is made, one day's interest shall be paid on that Loan.

(e) Except as otherwise set forth herein, interest on each Loan (i) shall accrue on a daily basis and shall be payable in arrears on each Interest Payment Date with respect to interest accrued on and to each such payment date; (ii) shall accrue on a daily basis and shall be payable in arrears upon any prepayment of that Loan, whether voluntary or mandatory, to the extent accrued on the amount being prepaid; and (iii) shall accrue on a daily basis and shall be payable in arrears at maturity of the Loans, including final maturity of the Loans; provided, however, with respect to any voluntary prepayment of a Base Rate Loan, accrued interest shall instead be payable on the applicable Interest Payment Date.

2.6. Conversion/Continuation.

(a) Subject to Section 2.15 and so long as no Default or Event of Default shall have occurred and then be continuing, Borrower shall have the option:

(i) to convert, at any time, all or any part of any Loan equal to $2,000,000 and integral multiples of $100,000 in excess of that amount from one Type of Loan to another Type of Loan; provided a Eurodollar Rate Loan may only be converted on the expiration of the Interest Period applicable to such Eurodollar Rate Loan unless Borrower shall pay all amounts due under Section 2.15 in connection with any such conversion; or

(ii) upon the expiration of any Interest Period applicable to any Eurodollar Rate Loan, to continue all or any portion of such Loan equal to $2,000,000 and integral multiples of $100,000 in excess of that amount as a Eurodollar Rate Loan.

(b) Borrower shall deliver a Conversion/Continuation Notice to Administrative Agent no later than 10:00 a.m. (New York City time) at least one Business Day in advance of the proposed conversion date (in the case of a conversion to a Base Rate Loan) and at least three Business Days in advance of the proposed Conversion/Continuation Date (in the case of a conversion to, or a continuation of, a Eurodollar Rate Loan). Except as otherwise provided herein, a Conversion/ Continuation Notice for conversion to, or continuation of, any Eurodollar Rate Loans shall be irrevocable on and after the related Interest Rate Determination Date, and Borrower shall be bound to effect a conversion or continuation in accordance therewith. If, on any day, a Loan is outstanding with respect to which a Funding Notice or Conversion/Continuation Notice has not been delivered to Administrative Agent in accordance with the terms hereof specifying the applicable basis for determining the rate of interest, then for that day such Loan shall be a Base Rate Loan.

2.7. Default Interest. Upon the occurrence and during the continuance of an Event of Default under Section 8.1(a) or at the direction of the Requisite Lenders after the occurrence and during the continuation of any other Event of Default, the principal amount of all Loans outstanding and, to the extent permitted by applicable law, any interest payments on the Loans or any fees or other amounts owed hereunder, shall thereafter bear interest (including post-petition interest in any proceeding under Debtor Relief Laws) payable on demand at a rate that is 2.00% *per annum* in excess of the interest rate otherwise payable hereunder with respect to the applicable Loans (or, in the case of any such fees and other amounts, at a rate which is 2.00% *per annum* in excess of the interest rate otherwise payable hereunder for Base Rate Loans); provided in the case of Eurodollar Rate Loans, upon the expiration of the Interest Period in effect at the time any such increase in interest rate is effective such Eurodollar Rate Loans shall thereupon become Base Rate Loans and shall thereafter bear interest payable upon demand at a rate which is 2.00% *per annum* in excess of the interest rate otherwise payable hereunder for Base Rate Loans. Payment or acceptance of the increased rates of interest provided for in this Section 2.7 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Administrative Agent or any Lender.

2.8. Fees.

(a) Borrower agrees to pay on the Closing Date to each Lender party to this Agreement as a Lender on the Closing Date, as fee compensation for the funding of such Lender's Loan, a closing fee as specified in the second amended and restated fee letter, dated as of December 4, 2015, by and among TerraForm Power Operating, LLC, Citi, Morgan Stanley, Barclays, MLPFS, GS Bank, Macquarie Capital, UBSS, and the other parties thereto.

(b) Borrower agrees to pay to each Lender party to this Agreement as a Lender on the Business Day immediately preceding the effectiveness of each Extension Option, as fee compensation for such Extension Option, an extension fee (the "**Extension Fee**") in an amount equal to 0.50% of the stated principal amount of such Lender's Term Loans that will be extended pursuant to such Extension Option, payable to such Lender upon the date of, and as a condition precedent to the effectiveness of, any such Extension Option.

(c) In addition to any of the foregoing fees, Borrower agrees to pay to Agents such other fees in the amounts and at the times separately agreed upon.

2.9. Scheduled Payments. The principal amount of the Loans shall be repaid in consecutive quarterly installments and at final maturity (each such payment, an "**Installment**") in the aggregate amounts set forth below on the amortization dates set forth below, commencing March 31, 2016:

Amortization Date	Installments
March 31, 2016	$1,250,000
June 30, 2016	$1,250,000
September 30, 2016	$1,250,000
December 31, 2016	$1,250,000
Maturity Date	Remainder

; provided, that during the period of any Extension Option, if and to the extent Borrower has exercised any Extension Option, the principal amount of the Loans shall be repaid in Installments in the aggregate amounts set forth below on the amortization dates set forth below:

Amortization Date	Installments
March 31, 2017	$1,250,000
June 30, 2017	$1,250,000
September 30, 2017	$1,250,000
December 31, 2017	$1,250,000
March 31, 2018	$6,250,000
June 30, 2018	$6,250,000
September 30, 2018	$6,250,000
December 31, 2018	$6,250,000
Maturity Date	Remainder

Notwithstanding the foregoing, (x) such Installments shall be reduced in connection with any voluntary or mandatory prepayments of the Loans in accordance with Section 2.10, Section 2.11

and Section 2.12, as applicable, and (y) the Loans, together with all other amounts owed hereunder with respect thereto, shall, in any event, be paid in full no later than the Maturity Date.

2.10. Voluntary Prepayments.

(a) Any time and from time to time:

(i) with respect to Base Rate Loans, Borrower may prepay any such Loans on any Business Day in whole or in part, in an aggregate minimum amount of $2,000,000 and integral multiples of $100,000 in excess of that amount (or such lesser amount which constitutes the full amount of such Loans outstanding); and

(ii) with respect to Eurodollar Rate Loans, Borrower may prepay any such Loans on any Business Day in whole or in part in an aggregate minimum amount of $2,000,000 and integral multiples of $100,000 in excess of that amount (or such lesser amount which constitutes the full amount of such Loans outstanding).

(b) All such prepayments shall be made:

(i) upon not less than one Business Day's prior written or telephonic notice in the case of Base Rate Loans; and

(ii) upon not less than three Business Days' prior written or telephonic notice in the case of Eurodollar Rate Loans;

in each case given to Administrative Agent by 12:00 p.m. (New York City time) on the date required and, if given by telephone, promptly confirmed by delivery of written notice thereof to Administrative Agent (and Administrative Agent will promptly transmit such original notice for Loans by telefacsimile or telephone to each Lender). Upon the giving of any such notice, the principal amount of the Loans specified in such notice shall become due and payable on the prepayment date specified therein; provided that a notice of prepayment made in connection with a refinancing of the Loans or sale of the Borrower may be conditioned upon the consummation of such refinancing or sale (and if such refinancing or sale is not consummated, the principal amount of the Loans specified in such notice shall not be so due and payable on the prepayment date specified in such notice). Any such voluntary prepayment shall be applied as specified in Section 2.12(a).

2.11. Mandatory Prepayments.

(a) Asset Sales. No later than the third Business Day following the date of receipt by Borrower or any of its Subsidiaries of any Net Asset Sale Proceeds, Borrower shall prepay the Loans as set forth in Section 2.12(b) in an aggregate amount equal to such Net Asset Sale Proceeds.

(b) Insurance/Condemnation Proceeds.

(i) No later than the third Business Day following the date of receipt by Borrower or any of its Subsidiaries, or Administrative Agent as loss payee, of any Net Insurance/Condemnation Proceeds, unless waived by Requisite Lenders, Borrower shall prepay the Loans as set forth in Section 2.12(b) in an aggregate amount equal to such Net Insurance/Condemnation Proceeds.

(ii) Notwithstanding the foregoing clause (i), in the event of Net Insurance/Condemnation Proceeds received under casualty insurance policy in respect of a covered loss thereunder and so long as no Default or Event of Default shall have occurred and be continuing, Borrower shall have the option, directly or through one or more of its Subsidiaries, to use such Net Insurance/Condemnation Proceeds to repair the damage (or replace or restore the affected property) caused by the applicable casualty within 360 days of receipt thereof (or, if committed to be reinvested within such 360 days, within 180 days thereafter).

(c) Issuance of Debt. On the date of receipt by Borrower or any of its Subsidiaries of any Cash proceeds from the incurrence of any Indebtedness of Borrower or any of its Subsidiaries (other than with respect to any Indebtedness permitted to be incurred pursuant to Section 6.1, including the New Bishop Hill Debt but excluding any other Indebtedness incurred pursuant to Section 6.1(a)(xiv)), Borrower shall prepay the Loans as set forth in Section 2.12(b) in an aggregate amount equal to 100% of such proceeds, net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, including reasonable legal fees and expenses.

(d) Non-Operating Capital Events. No later than the third Business Day following the date of receipt by Borrower or any of its Subsidiaries of any Net Non-Operating Capital Events Proceeds, Borrower shall prepay the Loans as set forth in Section 2.12(b) in an aggregate amount equal to such Net Non-Operating Capital Events Proceeds.

(e) Special Prepayment. On the Special Prepayment Date, the Administrative Agent shall apply the full amount of the Term Loan Proceeds Amount remaining in the Term Loan Proceeds Account on such date to prepay the Loans, plus all accrued and unpaid interest in respect thereof.

(f) Prepayment Certificate. Concurrently with any prepayment of the Loans pursuant to Sections 2.11(a) through 2.11(d), Borrower shall deliver to Administrative Agent a certificate of an Authorized Officer demonstrating the calculation of the amount of the applicable net proceeds. In the event that Borrower shall subsequently determine that the actual amount received exceeded the amount set forth in such certificate, Borrower shall promptly make an additional prepayment of the Loans in an amount equal to such excess, and Borrower shall concurrently therewith deliver to Administrative Agent a certificate of an Authorized Officer demonstrating the derivation of such excess.

2.12. Application of Prepayments/Reductions.

(a) Application of Prepayments. Any prepayment of any Loan hereunder shall be applied to prepay the Loans on a pro rata basis (in accordance with the respective outstanding principal amounts thereof) and further applied on a pro rata basis to reduce the remaining scheduled Installments of principal of the Loans.

(b) Application of Prepayments of Loans to Base Rate Loans and Eurodollar Rate Loans. Any prepayment of any Loan hereunder shall be applied first to Base Rate Loans to the full extent thereof before application to Eurodollar Rate Loans, in each case in a manner which minimizes the amount of any payments required to be made by Borrower pursuant to Section 2.15 (c).

2.13. General Provisions Regarding Payments.

(a) All payments by Borrower of principal, interest, fees and other Obligations shall be made in Dollars (unless otherwise expressly provided herein) in same-day funds, without defense, recoupment, setoff or counterclaim, free of any restriction or condition, and delivered to Administrative Agent not later than 12:00 p.m. (New York City time) on the date due at the Principal Office of Administrative Agent for the account of Lenders; for purposes of computing interest and fees, funds received by Administrative Agent after that time on such due date shall be deemed to have been paid by Borrower on the next succeeding Business Day.

(b) All payments in respect of the principal amount of any Loan shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid, and all such payments (and, in any event, any payments in respect of any Loan on a date when interest is due and payable with respect to such Loan) shall be applied to the payment of interest then due and payable before application to principal.

(c) Administrative Agent (or its agent or sub-agent appointed by it) shall promptly distribute to each Lender at such address as such Lender shall indicate in writing, such Lender's applicable Pro Rata Share of all payments and prepayments of principal and interest due hereunder, together with all other amounts due thereto, including all fees payable with respect thereto, to the extent received by Administrative Agent.

(d) Notwithstanding the foregoing provisions hereof, if any Conversion/ Continuation Notice is withdrawn as to any Affected Lender or if any Affected Lender makes Base Rate Loans in lieu of its Pro Rata Share of any Eurodollar Rate Loans, Administrative Agent shall give effect thereto in apportioning payments received thereafter.

(e) Whenever any payment to be made hereunder with respect to any Loan shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day.

(f) Administrative Agent shall deem any payment by or on behalf of Borrower hereunder that is not made in same day funds prior to 1:00 p.m. (New York City time) to be a non-conforming payment. Any such payment shall not be deemed to have been received by Administrative Agent until the later of (i) the time such funds become available funds, and (ii) the applicable next Business Day. Administrative Agent shall give prompt telephonic notice to Borrower and each applicable Lender (confirmed in writing) if any payment is non-conforming. Any non-conforming payment may constitute or become a Default or Event of Default in accordance with the terms of Section 8.1(a). Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the rate determined pursuant to Section 2.7 from the date such amount was due and payable until the date such amount is paid in full.

(g) If an Event of Default shall have occurred and has not otherwise been waived, and the maturity of the Obligations shall have been accelerated pursuant to Section 8.1 or pursuant to any sale of, any collection from, or other realization upon all or any part of the Collateral, all payments or proceeds received by Agents in respect of any of the Obligations shall be applied in accordance with the application arrangements described in Section 9.2 of the Pledge and Security Agreement.

2.14. Ratable Sharing. Lenders hereby agree among themselves that if any of them shall, whether by voluntary payment (other than a voluntary prepayment of Loans made and applied in accordance with the terms hereof), through the exercise of any right of set-off or banker's lien, by counterclaim or cross action or by the enforcement of any right under the Credit Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under the Bankruptcy Code, receive payment or reduction of a proportion of the aggregate amount of principal, interest, fees and other amounts then due and owing to such Lender hereunder or under the other Credit Documents (collectively, the "**Aggregate Amounts Due**" to such Lender) which is greater than the proportion received by any other Lender in respect of the Aggregate Amounts Due to such other Lender, then the Lender receiving such proportionately greater payment shall (a) notify Administrative Agent and each other Lender of the receipt of such payment and (b) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate Amounts Due to the other Lenders so that all such recoveries of Aggregate Amounts Due shall be shared by all Lenders in proportion to the Aggregate Amounts Due to them; provided if all or part of such proportionately greater payment received by such purchasing Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of Borrower or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such purchasing Lender ratably to the extent of such recovery, but without interest. Borrower expressly consents to the foregoing arrangement and agrees that any holder of a participation so purchased may exercise any and all rights of banker's lien, consolidation, set-off or counterclaim with respect to any and all monies owing by Borrower to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder. The provisions of this Section 2.14 shall not be construed to apply to (a) any payment made by Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (b) any payment obtained by any Lender as consideration for the assignment or sale of a participation in any of its Loans or other Obligations owed to it.

2.15. Making or Maintaining Eurodollar Rate Loans.

(a) Inability to Determine Applicable Interest Rate. In the event that Administrative Agent shall have determined (which determination shall be final and conclusive and binding upon all parties hereto), on any Interest Rate Determination Date with respect to any Eurodollar Rate Loans, that by reason of circumstances affecting the London interbank market adequate and fair means do not exist for ascertaining the interest rate applicable to such Loans on the basis provided for in the definition of "Adjusted Eurodollar Rate," Administrative Agent shall on such date give notice (by telefacsimile or by telephone confirmed in writing) to Borrower and each Lender of such determination, whereupon (i) no Loans may be made as, or converted to, Eurodollar Rate Loans until such time as Administrative Agent notifies Borrower and Lenders that the circumstances giving rise to such notice no longer exist, and (ii) any Funding Notice or Conversion/Continuation Notice given by Borrower with respect to the Loans in respect of which such determination was made shall be deemed to be rescinded by Borrower.

(b) Illegality or Impracticability of Eurodollar Rate Loans. In the event that on any date (i) any Lender shall have determined (which determination shall be final and conclusive and binding upon all parties hereto but shall be made only after consultation with the Borrower and the Administrative Agent) that the making, maintaining, converting to or continuation of its Eurodollar Rate Loans has become unlawful as a result of compliance by such Lender in good faith with any law, treaty, governmental rule, regulation, guideline or order (or would conflict with any such treaty, governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or (ii) Administrative Agent is advised by the Requisite Lenders (which determination shall be final and conclusive and binding upon all parties hereto) that the making, maintaining, converting to or continuation of its Eurodollar Rate Loans has become impracticable, as a result of contingencies occurring after the date hereof which materially and adversely affect the London interbank market or the position of the Lenders in that market, then, and in any such event, such Lenders (or in the case of the preceding clause (i), such Lender) shall be an "**Affected Lender**" and such Affected Lender shall on that day give notice (by email or by telephone, confirmed in writing) to Borrower and Administrative Agent of such determination (which notice Administrative Agent shall promptly transmit to each other Lender). If Administrative Agent receives a notice from (x) any Lender pursuant to clause (i) of the preceding sentence or (y) a notice from Lenders constituting Requisite Lenders pursuant to clause (ii) of the preceding sentence, then (1) the obligation of the Lenders (or, in the case of any notice pursuant to clause (i) of the preceding sentence, such Lender) to make Loans as, or to convert Loans to, Eurodollar Rate Loans shall be suspended until such notice shall be withdrawn by each Affected Lender, (2) to the extent such determination by the Affected Lender relates to a Eurodollar Rate Loan then being requested by Borrower pursuant to a Funding Notice or a Conversion/Continuation Notice, the Lenders (or in the case of any notice pursuant to clause (i) of the preceding sentence, such Lender) shall make such Loan as (or continue such Loan as or convert such Loan to, as the case may be) a Base Rate Loan, (3) the Lenders' (or in the case of any notice pursuant to clause (i) of the preceding sentence, any such Lender's) obligations to maintain their respective outstanding Eurodollar Rate Loans (the "**Affected Loans**") shall be terminated at the earlier to occur of the expiration of the Interest Period then in effect with respect to the Affected Loans or when required by law, and (4) the Affected Loans shall automatically convert into Base Rate Loans on the date of such termination. Notwithstanding the foregoing, to the extent a determination by an Affected Lender as described above relates to a Eurodollar Rate Loan then being requested by Borrower pursuant to a Funding Notice or a Conversion/Continuation Notice, Borrower shall have the option, subject to the provisions of Section 2.15(c), to rescind such Funding Notice or Conversion/ Continuation Notice as to all Lenders by giving written or telephonic notice (promptly confirmed by delivery of written notice thereof) to Administrative Agent of such rescission on the date on which the Affected Lender gives notice of its determination as described above (which notice of rescission Administrative Agent shall promptly transmit to each other Lender).

(c) Compensation for Breakage or Non‑Commencement of Interest Periods. Borrower shall compensate each Lender, upon written request by such Lender (which request shall set forth the basis for requesting such amounts), for all reasonable losses, expenses and liabilities (including any interest paid or payable by such Lender to Lenders of funds borrowed by it to make or carry its Eurodollar Rate Loans and any loss, expense or liability sustained by such Lender in connection with the liquidation or re‑employment of such funds but excluding loss of anticipated profits) which such Lender may sustain: (i) if, for any reason (other than a default by such Lender), a borrowing of any Eurodollar Rate Loan does not occur on a date specified therefor in a Funding Notice or a telephonic request for borrowing, or a conversion to or continuation of any Eurodollar Rate Loan does not occur on a date specified therefor in a Conversion/Continuation Notice or a telephonic request for conversion or continuation; (ii) if any prepayment or other principal payment of, or any conversion of, any of its Eurodollar Rate Loans occurs on a date prior to the last day of an Interest Period applicable to that Loan; or (iii) if any prepayment of any of its Eurodollar Rate Loans is not made on any date specified in a notice of prepayment given by Borrower. With respect to any Lender's claim for compensation under this Section 2.15, Borrower shall not be required to compensate such Lender for any amount incurred more than 180 calendar days prior to the date that such Lender notifies Borrower of the event that gives rise to such claim.

(d) Booking of Eurodollar Rate Loans. Any Lender may make, carry or transfer Eurodollar Rate Loans at, to, or for the account of any of its branch offices or the office of an Affiliate of such Lender.

(e) Assumptions Concerning Funding of Eurodollar Rate Loans. Calculation of all amounts payable to a Lender under this Section 2.15 and under Section 2.16 shall be made as though such Lender had actually funded each of its relevant Eurodollar Rate Loans through the purchase of a Eurodollar deposit bearing interest at the rate obtained pursuant to clause (i) of the definition of "Adjusted Eurodollar Rate" in an amount equal to the amount of such Eurodollar Rate Loan and having a maturity comparable to the relevant Interest Period and through the transfer of such Eurodollar deposit from an offshore office of such Lender to a domestic office of such Lender in the United States of America; provided, however, each Lender may fund each of its Eurodollar Rate Loans in any manner it sees fit and the foregoing assumptions shall be utilized only for the purposes of calculating amounts payable under this Section 2.15 and under Section 2.16.

2.16. Increased Costs; Capital Adequacy.

(a) Compensation For Increased Costs and Taxes. Subject to the provisions of Section 2.17 (which shall be controlling with respect to the matters covered thereby), in the event that any Lender shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that (A) any law, treaty or governmental rule, regulation or order, or any change therein or in the interpretation, administration or application thereof (regardless of whether the underlying law, treaty or governmental rule, regulation or order was issued or enacted prior to the date hereof), including the introduction of any new law, treaty or governmental rule, regulation or order but excluding solely proposals thereof, or any determination of a court or Governmental Authority, in each case that becomes effective after the date hereof, or (B) any guideline, request or directive by any central bank or other governmental or quasi-governmental authority (whether or not having the force of law) or any implementation rules or interpretations of previously issued guidelines, requests or directives, in each case that is issued or made after the date hereof: (i) subjects such Lender (or its applicable lending office) or any company controlling such Lender to any additional Tax (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) any Tax on the overall net income of such Lender) with respect to this Agreement or any of the other Credit Documents or any of its obligations hereunder or thereunder or any payments to such Lender (or its applicable lending office) of principal, interest, fees or any other amount payable hereunder; (ii) imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, liquidity, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender (other than any such reserve or other requirements with respect to Eurodollar Rate Loans that are reflected in the definition of "Adjusted Eurodollar Rate") or any company controlling such Lender; or (iii) imposes any other condition (other than with respect to a Tax matter) on or affecting such Lender (or its applicable lending office) or any company controlling such Lender or such Lender's obligations hereunder or the London interbank market; and the result of any of the foregoing is to increase the cost to such Lender of agreeing to make, making or maintaining Loans hereunder or to reduce any amount received or receivable by such Lender (or its applicable lending office) with respect thereto; then, in any such case, Borrower shall promptly pay to such Lender, upon receipt of the statement referred to in the next sentence, such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or in a lump sum or otherwise as such Lender in its sole discretion shall determine) as may be necessary to compensate such Lender for any such increased cost or reduction in amounts received or receivable hereunder. Such Lender shall deliver to Borrower (with a copy to Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to such Lender under this Section 2.16(a), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(b) Capital Adequacy Adjustment. In the event that any Lender shall have determined (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that (A) the adoption, effectiveness, phase‑in or applicability of any law, rule or regulation (or any provision thereof) regarding capital adequacy or liquidity, or any change therein or in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or (B) compliance by any Lender (or its applicable lending office) or any company controlling such Lender with any guideline, request or directive regarding capital adequacy or liquidity (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, in each case after the date hereof, has or would have the effect of reducing the rate of return on the capital of such Lender or any company controlling such Lender as a consequence of, or with reference to, such Lender's Loans or other obligations hereunder with respect to the Loans to a level below that which such Lender or such controlling company could have achieved but for such adoption, effectiveness, phase‑in, applicability, change or compliance (taking into consideration the policies of such Lender or such controlling company with regard to capital adequacy), then from time to time, within five Business Days after receipt by Borrower from such Lender of the statement referred to in the next sentence, Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such controlling company on an after‑tax basis for such reduction. Such Lender shall deliver to Borrower (with a copy to Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to Lender under this Section 2.16(b), which statement shall be conclusive and binding upon all parties hereto absent manifest error. For the avoidance of doubt, subsections (a) and (b) of this Section 2.16 shall apply to all requests, rules, guidelines or directives concerning liquidity and capital adequacy issued by any United States regulatory authority (i) under or in connection with the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act and (ii) in connection with the implementation of the recommendations of the Bank for International Settlements or the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority), regardless of the date adopted, issued, promulgated or implemented.

2.17. Taxes; Withholding, Etc.

(a) Payments to Be Free and Clear. All sums payable by or on behalf of any Credit Party hereunder and under the other Credit Documents shall (except to the extent required by law) be paid free and clear of, and without any deduction or withholding on account of, any Tax imposed, levied, collected, withheld or assessed by any Governmental Authority.

(b) Withholding of Taxes. If any Credit Party or any other Person acting as a withholding agent is (in such withholding agent's reasonable good faith discretion) required by law to make any deduction or withholding on account of any such Tax from any sum paid or payable by any Credit Party to Administrative Agent or any Lender under any of the Credit Documents: (i) Borrower shall notify Administrative Agent of any such requirement or any change in any such requirement as soon as Borrower becomes aware of it; (ii) the applicable withholding agent shall be entitled to make any such deduction or withholding and shall timely pay, or cause to be paid, the full amount of any such Tax deducted or withheld to the relevant Governmental Authority in accordance with applicable law before the date on which penalties attach thereto, such payment to be made (if the liability to pay is imposed on any Credit Party) for its own account or (if that liability is imposed on Administrative Agent or such Lender, as the case may be) on behalf of and in the name of Administrative Agent or such Lender; (iii) unless otherwise provided in this Section 2.17, the sum payable by such Credit Party in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment (including such deductions and withholdings applicable to additional sums payable under this Section), Administrative Agent or such Lender, as the case may be, receives on the due date a net sum equal to what it would have received had no such deduction, withholding or payment been required or made; and (iv) within 30 days after the due date of payment of any Tax which it is required by clause (ii) above to pay, Borrower shall deliver to Administrative Agent evidence satisfactory to the other affected parties of such deduction, withholding or payment and of the remittance thereof to the relevant Governmental Authority; provided no Credit Party shall be required to pay any additional amounts to any Lender under clause (iii) above with respect to any Excluded Taxes of any Lender.

(c) Evidence of Exemption From U.S. Withholding Tax. Each Lender that is not a United States person (as such term is defined in Section 7701(a)(30) of the Internal Revenue Code) for U.S. federal income tax purposes (a "**Non-U.S. Lender**") shall, to the extent such Lender is legally able to do so, deliver to Administrative Agent for transmission to Borrower, on or prior to the Closing Date (in the case of each Lender listed on the signature pages hereof on the Closing Date) or on or prior to the date of the Assignment Agreement pursuant to which it becomes a Lender (in the case of each other Lender), and at such other times as may be necessary in the determination of Borrower or Administrative Agent (each in the reasonable exercise of its discretion), (i) two copies of Internal Revenue Service Form W-8BEN, W-8BEN-E, W-8ECI, W-8EXP, W-8IMY and/or any other form prescribed by applicable law (or, in each case, any successor forms), properly completed and duly executed by such Lender, and such other documentation required under the Internal Revenue Code and reasonably requested by Borrower to establish that such Lender is not subject to (or is subject to a reduced rate of) deduction or withholding of United States federal income tax with respect to any payments to such Lender of principal, interest, fees or other amounts payable under any of the Credit Documents, or (ii) if the applicable Beneficial Owner is not a "bank" or other Person described in Section 881(c)(3) of the Internal Revenue Code, a Certificate re Portfolio Interest Exemption together with two copies of Internal Revenue Service Form W-8BEN, W-8BEN-E or other applicable Forms W-8 (or any successor forms), properly completed and duly executed by such Beneficial Owner, and such other documentation required under the Internal

Revenue Code and reasonably requested by Borrower to establish that such Beneficial Owner is not subject to (or is subject to a reduced rate of) deduction or withholding of United States federal income tax with respect to any direct or indirect payments to such Beneficial Owner of interest payable under any of the Credit Documents. Each Lender that is a United States person (as such term is defined in Section 7701(a)(30) of the Internal Revenue Code) for United States federal income tax purposes (a "**U.S. Lender**") shall deliver to Administrative Agent and Borrower on or prior to the Closing Date (or, if later, on or prior to the date on which such Lender becomes a party to this Agreement) two copies of Internal Revenue Service Form W-9 (or any successor form), properly completed and duly executed by such Lender, certifying that such U.S. Lender is entitled to an exemption from United States backup withholding tax, or otherwise prove that it is entitled to such an exemption. Each Lender required to deliver any forms, certificates or other evidence with respect to United States federal income tax withholding matters pursuant to this Section 2.17 (c) hereby agrees, from time to time after the initial delivery by such Lender of such forms, certificates or other evidence, whenever a lapse in time or change in circumstances renders such forms, certificates or other evidence obsolete or inaccurate in any material respect, that such Lender shall promptly deliver to Administrative Agent for transmission to Borrower two new original copies of Internal Revenue Service Form W‑8BEN, W-8BEN-E, W‑8ECI, W-8EXP, W-8IMY, W-9 and/or any other form prescribed by applicable law (or, in each case, any successor form), or a Certificate re Portfolio Interest Exemption and two copies of Internal Revenue Service Form W‑8BEN, W-8BEN-E or other applicable Forms W-8 (or any successor forms), as the case may be, properly completed and duly executed by the applicable Beneficial Owner, and such other documentation required under the Internal Revenue Code and reasonably requested by Borrower to confirm or establish that such Beneficial Owner is not subject to deduction or withholding of United States federal income tax with respect to any direct or indirect payments to such Beneficial Owner under the Credit Documents, or notify Administrative Agent and Borrower of its inability to deliver any such forms, certificates or other evidence. No Credit Party shall be required to pay any additional amount to any Lender under Section 2.17(b)(iii) if such Lender shall have failed (1) to deliver the forms, certificates or other evidence required by this Section 2.17(c) or (2) to notify Administrative Agent and Borrower of its inability to deliver any such forms, certificates or other evidence, as the case may be; <u>provided</u> if such Lender shall have satisfied the requirements of this Section 2.17(c) on the Closing Date or on the date of the Assignment Agreement pursuant to which it became a Lender, as applicable, nothing in this last sentence of Section 2.17(c) shall relieve Borrower of its obligation to pay any additional amounts pursuant this Section 2.17 in the event that, as a result of any change in any applicable law, treaty or governmental rule, regulation or order, or any change in the interpretation, administration or application thereof, such Lender is no longer properly entitled to deliver forms, certificates or other evidence at a subsequent date establishing the fact that such Lender is not subject to withholding as described herein. Notwithstanding anything in this clause (c) to the contrary, the completion, execution and submission of such documentation (other Internal Revenue Service Form W‑8BEN, W-8BEN-E, W‑8ECI, W-8EXP, W-8IMY or W-9 (or, in each case, any successor form) or a Certificate re Portfolio Interest Exemption) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(d) Reserved.

(e) Without limiting the provisions of Section 2.17(b), the Credit Parties shall timely pay all Other Taxes to the relevant Governmental Authorities in accordance with applicable law, or at the option of Administrative Agent, timely reimburse it for the payment of any Other Taxes, upon submission of reasonable proof of such payment. The applicable Credit Party shall deliver to Administrative Agent official receipts or other evidence of such payment reasonably satisfactory to Administrative Agent in respect of any Other Taxes payable hereunder promptly after payment of such Other Taxes.

(f) The Credit Parties shall jointly and severally indemnify each Beneficiary for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Beneficiary or required to be withheld or deducted from a payment to such Beneficiary and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to such Credit Party shall be conclusive absent manifest error. Such payment shall be due within 30 days of such Credit Party's receipt of such certificate.

(g) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) If a payment made to a Lender under any Credit Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472 (b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (h), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

2.18. Obligation to Mitigate. Each Lender agrees that, as promptly as practicable after the officer of such Lender responsible for administering its Loans becomes aware of the occurrence of an event or the existence of a condition that would cause such Lender to become an Affected Lender or that would entitle such Lender to receive payments under Section 2.15, 2.16 or 2.17, it will, to the extent not inconsistent with the internal policies of such Lender and any applicable legal or regulatory restrictions, use reasonable efforts to (a) make, issue, fund or maintain its Loans, including any Affected Loans, through another office of such Lender, or (b) take such other measures as such Lender may deem reasonable, if as a result thereof the circumstances which would cause such Lender to be an Affected Lender would cease to exist or the additional amounts which would otherwise be required to be paid to such Lender pursuant to Section 2.15, 2.16 or 2.17 would be materially reduced and if, as determined by such Lender in its sole discretion, the making, issuing, funding or maintaining of such Loans through such other office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Loans or the interests of such Lender; provided such Lender will not be obligated to utilize such other office pursuant to this Section 2.18 unless Borrower agrees to pay all incremental expenses incurred by such Lender as a result of utilizing such other office as described above. A certificate as to the amount of any such expenses payable by Borrower pursuant to this Section 2.18 (setting forth in reasonable detail the basis for requesting such amount) submitted by such Lender to Borrower (with a copy to Administrative Agent) shall be conclusive absent manifest error.

2.19. Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise) or received by Administrative Agent from a Defaulting Lender pursuant to Section 10.4 shall be applied at such time or times as may be determined by Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to Administrative Agent hereunder; *second*, as Borrower may request (so long as no Default or Event of Default shall have occurred and be continuing), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by Administrative Agent; *third*, if so determined by Administrative Agent and Borrower, to be held in a Deposit Account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default shall have occurred and be continuing, to the payment of any amounts owing to Borrower as a result of any judgment of a court of competent jurisdiction obtained by Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the applicable Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.19(a)(i) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(ii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any fee pursuant to Section 2.8(a) for any period during which that Lender is a Defaulting Lender (and Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) Defaulting Lender Cure. If Borrower and Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as Administrative Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with the applicable Commitments, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

(c) Lender Counterparties. So long as any Lender is a Defaulting Lender, such Lender shall not be a Lender Counterparty with respect to any Hedge Agreement entered into while such Lender was a Defaulting Lender.

2.20. Removal or Replacement of a Lender. Anything contained herein to the contrary notwithstanding, in the event that: (a) (i) any Lender (an "**Increased‑Cost Lender**") shall give notice to Borrower that such Lender is an Affected Lender or that such Lender is entitled to receive payments under Section 2.15, Section 2.16 or Section 2.17, (ii) the circumstances which have caused such Lender to be an Affected Lender or which entitle such Lender to receive such payments shall remain in effect, and (iii) such Lender shall fail to withdraw such notice within five Business Days after Borrower's request for such withdrawal; or (b) (i) any Lender shall become and continues to be a Defaulting Lender, and (ii) such Defaulting Lender shall fail to cure the default pursuant to Section 2.19(b) within five Business Days after Borrower's request that it cure such default; or (c) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any of the provisions hereof as contemplated by Section 10.5(b), the consent of Requisite Lenders shall have been obtained but the consent of one or more of such other Lenders (each a "**Non‑Consenting Lender**") whose consent is required shall not have been obtained; then, with respect to each such Increased‑Cost Lender, Defaulting Lender or Non‑Consenting Lender (a "**Terminated Lender**"), Borrower may, by giving written notice to Administrative Agent and any Terminated Lender of its election to do so, elect to cause such Terminated Lender (and such Terminated Lender hereby irrevocably agrees) to assign its outstanding Loans in full to one or more Eligible Assignees (each a "**Replacement Lender**") in accordance with the provisions of Section 10.6 and Borrower shall pay the fees, if any, payable thereunder in connection with any such assignment from an Increased-Cost Lender, a Non-Consenting Lender or a Defaulting Lender; provided (1) on the date of such assignment, the Replacement Lender shall pay to Terminated Lender an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Loans of the Terminated Lender, and (B) an amount equal to all accrued, but theretofore unpaid fees owing to such Terminated Lender pursuant to Section 2.8; (2) on the date of such assignment, Borrower shall pay any amounts payable to such Terminated Lender pursuant to Section 2.15(c), Section 2.16 or Section 2.17, or otherwise as if it were a prepayment; and (3) in the event such Terminated Lender is a Non‑Consenting Lender, each Replacement Lender shall consent, at the time of such assignment, to each matter in respect of which such Terminated Lender was a Non‑Consenting Lender. Upon the prepayment of all amounts owing to any Terminated Lender, such Terminated Lender shall no longer constitute a "Lender" for purposes hereof; provided any rights of such Terminated Lender to indemnification hereunder shall survive as to such Terminated Lender. Each Lender agrees that if Borrower exercises its option hereunder to cause an assignment by such Lender as a Non-Consenting Lender or Terminated Lender, such Lender shall, promptly after receipt of written notice of such election, execute and deliver all documentation necessary to effectuate such assignment in accordance with Section 10.6. In the event that a Lender does not comply with the requirements of the immediately preceding sentence within one Business Day after receipt of such notice, each Lender hereby authorizes and directs Administrative Agent to execute and deliver such documentation as may be required to give effect to an assignment in accordance with Section 10.6 on behalf of a Non-Consenting Lender or Terminated Lender and any such documentation so executed by Administrative Agent shall be effective for purposes of documenting an assignment pursuant to Section 10.6. Any removal of Citi or its successor as a Defaulting Lender pursuant to this Section shall also constitute the removal of Citi or its successor as Administrative Agent pursuant to Section 9.7.

2.21. Term Loan Proceeds Account.

(a) Establishment of Term Loan Proceeds Account. At all times prior to the Special Prepayment Date, the Borrower shall maintain the Term Loan Proceeds Account.

(b) Deposits into Term Loan Proceeds Account; Maintenance of Term Loan Proceeds Account. On the Closing Date, the Administrative Agent shall deposit a portion of the proceeds of the Term Loans equal to the Term Loan Proceeds Amount into the Term Loan Proceeds Account and such proceeds shall be held therein until the earlier to occur of any Funds Release Date or the Special Prepayment Date, when such funds shall be applied as contemplated by this Agreement.

(c) Application of Funds from the Term Loan Proceeds Account. The amounts on deposit in the Term Loan Proceeds Account shall only be disbursed (i) on a Funds Release Date upon delivery by Borrower to Citi, as depository bank and as Collateral Agent, at least two Business Days prior to such Funds Release Date, of a certificate signed by an Authorized Officer of the Borrower certifying that (A) no Default or Event of Default pursuant to Sections 8.1(a), 8.1(f) or 8.1(g) shall have occurred and be continuing (before and after giving effect to such disbursement), (B) one or more Post-Closing Acquisitions shall have been previously or substantially simultaneously consummated (and any Indebtedness financing the construction of the applicable Post-Closing Acquisition Projects shall have been repaid on or prior to the applicable Funds Release Date) at the time of such disbursement and (C) the amount to be disbursed shall be the amount set forth on Schedule 1.1B, in the case of this clause (i), to Borrower (or as otherwise directed by Borrower in such certificate in connection with the applicable Post-Closing Acquisition) in the amounts set forth on Schedule 1.1B for such Post-Closing Acquisition(s) and (ii) on the Special Prepayment Date, to the Administrative Agent for application in accordance with Section 2.11(e); provided, that there shall be no more than four disbursements from the Term Loan Proceeds Account in connection with the Post-Closing Acquisitions pursuant to clause (c)(i) above.

2.22. Extension Option. Borrower may, no more than four times in the aggregate, pursuant to the provisions of this Section 2.22, extend the Maturity Date by up to four successive six-month periods (each such extension, an "**Extension Option**"); provided, that, in no event shall the Maturity Date extend later than January 15, 2019. In connection with each Extension Option, Borrower will provide written notification to Administrative Agent (for distribution to the Lenders) no later than five Business Days prior to the then-existing Maturity Date. The consummation and effectiveness of each Extension Option shall be subject to (a) the absence of any Default or Event of Default under Sections 8.1(a), 8.1(f) or 8.1(g) at the time of the effectiveness of such Extension and (b) payment by Borrower immediately prior to the effectiveness of each such Extension Option of the Extension Fee applicable to such Extension Option. Upon the effectiveness of each such Extension Option, the Maturity Date shall be deemed to be the last day of the applicable six-month extension period.

SECTION 3. CONDITIONS PRECEDENT

3.1. Closing Date. The obligation of each Lender to make a Loan on the Closing Date is subject to the satisfaction, or waiver in accordance with Section 10.5, of the following conditions on or before the Closing Date:

(a) Credit Documents. Administrative Agent and Arrangers shall have received sufficient copies of each Credit Document as Administrative Agent shall request, originally executed and delivered by each applicable Credit Party.

(b) Funding Notice. Administrative Agent shall have received a fully executed and delivered Funding Notice executed by an Authorized Officer in accordance with Section 2.1 (b).

(c) Organizational Documents; Incumbency. Administrative Agent and Arrangers shall have received, in respect of each Credit Party, (i) sufficient copies of each Organizational Document as Administrative Agent shall request, and, to the extent applicable, certified as of the Closing Date or a recent date prior thereto by the appropriate Governmental Authority, which shall contain separateness covenants consistent with Schedule 3.1(c); (ii) signature and incumbency certificates of the Authorized Officers of such Credit Party that are executing the Credit Documents and the Funding Notice; (iii) resolutions of TerraForm PH II or the board of directors or similar governing body of such Credit Party approving and authorizing the execution, delivery and performance of this Agreement and the other Credit Documents to which it is a party or by which it or its assets may be bound as of the Closing Date, certified as of the Closing Date by its secretary or an assistant secretary (or the secretary of Holdings) as being in full force and effect without modification or amendment; (iv) a good standing certificate from the applicable Governmental Authority of such Credit Party's jurisdiction of incorporation, organization or formation and in each jurisdiction in which it is qualified as a foreign corporation or other entity to do business, each dated the Closing Date or a recent date prior thereto; and (v) such other documents as Administrative Agent may reasonably request.

(d) Organizational and Capital Structure. The organizational structure and capital structure of Holdings and its Subsidiaries shall be as set forth on Schedule 4.1.

(e) Transaction Costs. On or prior to the Closing Date, Borrower shall have delivered to Administrative Agent Borrower's reasonable best estimate of the Transaction Costs (other than fees payable to any Agent).

(f) Governmental Authorizations and Consents. Each Credit Party shall have obtained all Governmental Authorizations and all consents of other Persons, in each case that are necessary or advisable in connection with the transactions contemplated by the Credit Documents and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to Administrative Agent and Arrangers. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Credit Documents or the financing thereof and no action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable agency to take action to set aside its consent on its own motion shall have expired.

(g) Personal Property Collateral. In order to create in favor of Collateral Agent, for the benefit of Secured Parties, a valid, perfected First Priority security interest in the personal property Collateral, each Credit Party shall have delivered to Collateral Agent:

(i) evidence satisfactory to Collateral Agent of the compliance by each Credit Party with its obligations under the Pledge and Security Agreement and the other Collateral Documents (including its obligations to execute or authorize, as applicable, and deliver customary lien searches, UCC financing statements, originals of securities, instruments and chattel paper and any agreements governing deposit and/or securities accounts as provided therein);

(ii) a completed Collateral Questionnaire dated the Closing Date and executed by an Authorized Officer of each Credit Party, together with all attachments contemplated thereby;

(iii) opinions of counsel (which counsel shall be reasonably satisfactory to Collateral Agent) with respect to the creation and perfection of the security interests in favor of Collateral Agent in such Collateral and such other matters governed by the laws of each jurisdiction in which any Credit Party or any personal property Collateral is located as Collateral Agent may reasonably request, in each case in form and substance reasonably satisfactory to Collateral Agent; and

(iv) evidence that each Credit Party shall have taken or caused to be taken any other action, executed and delivered or caused to be executed and delivered any other agreement, document and instrument and made or caused to be made any other filing and recording (other than as set forth herein) reasonably required by Collateral Agent to create in favor of Collateral Agent, for the benefit of Secured Parties, a valid, perfected First Priority security interest in the personal property Collateral.

(h) Existing Indebtedness. On the Closing Date, after giving effect to the consummation of the Acquisition and the funding of the Term Loans, neither Borrower nor any Subsidiary will have any third-party debt for borrowed money other than as set forth on Schedule 3.1(h).

(i) Accounts. Borrower shall have established, or caused to be established, (x) the Term Loan Proceeds Account and (y) the Project Deposit Account.

(j) Reserved.

(k) Opinions of Counsel to Credit Parties. Agents and Lenders and their respective counsel shall have received originally executed copies of the favorable written opinions of (a) Skadden, Arps, Slate, Meagher & Flom LLP, counsel for Credit Parties, as to such matters as Administrative Agent or Arrangers may reasonably request, dated as of the Closing Date and in form and substance reasonably satisfactory to Administrative Agent and Arrangers (and each Credit Party hereby instructs such counsel to deliver such opinions to Agents and Lenders), (b) Mayer Capel, Illinois counsel to the Credit Parties, as to certain energy regulatory matters under Illinois law (and each Credit Party hereby instructs such counsel to deliver such opinions to Agents and Lenders), (c) Fraser Stryker PC LLO, Nevada counsel to the Credit Parties, as to certain energy regulatory matters under Nebraska law (and each Credit Party hereby instructs such counsel to deliver such opinions to Agents and Lenders), (d) Husch Blackwell LLP, Texas counsel to the Credit Parties, as to certain energy regulatory matters under Texas law (and each Credit Party hereby instructs such counsel to deliver such opinions to Agents and Lenders), (e) Stikeman Elliot LLP, counsel to the Credit Parties, as to certain non-energy regulatory matters under Ontario law (and each Credit Party hereby instructs such counsel to deliver such opinions to Agents and Lenders) and (f) Crowell Moring LLP and Orrick, Herrington & Sutcliffe LLP, counsel to the Credit Parties, as to matters of federal energy regulatory law (and each Credit Party hereby instructs such counsel to deliver such opinions to Agents and Lenders).

(l) Fees. Borrower shall have paid to each Agent the fees payable on or before the Closing Date referred to in Section 2.8(a) and Section 2.8(c) and all expenses payable pursuant to Section 10.2 which have accrued to the Closing Date.

(m) Solvency Certificate. On the Closing Date, Administrative Agent and Arrangers shall have received a Solvency Certificate from the Borrower in form, scope and substance reasonably satisfactory to Administrative Agent and Arrangers.

(n) Closing Date Certificate. Borrower shall have delivered to Administrative Agent and Arrangers an originally executed Closing Date Certificate, together with all attachments thereto.

(o) No Litigation. There shall not exist any action, suit, investigation, litigation, proceeding, hearing or other legal or regulatory developments, pending or threatened in writing in any court or before any arbitrator or Governmental Authority that, in the reasonable opinion of Administrative Agent and Arrangers, singly or in the aggregate, materially impairs any of the transactions contemplated by the Credit Documents, or that could reasonably be expected to have a Material Adverse Effect.

(p) PATRIOT Act. At least five days prior to the Closing Date, the Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001), the "**PATRIOT Act**").

(q) Acquisition Documents. The Administrative Agent shall have received a certified true and complete copy of the Acquisition Agreement and each other material agreement or instrument delivered in connection therewith.

(r) Consummation of Acquisition. The Administrative Agent shall have received a certificate of the Borrower certifying that the Acquisition shall have been, or shall contemporaneously with the Closing Date be, consummated in accordance in all material respects with the terms of the applicable Acquisition Agreement and applicable law.

(s) Engagement of Financial Institutions. Borrower shall have engaged one or more banking or investment banking institutions reasonably acceptable to the Arrangers pursuant to an engagement letter to provide for the refinancing in full of the Term Loan.

(t) No Closing Date Material Adverse Effect. Since July 1, 2015, there shall not have been any event, change, development, condition or circumstance that has had or could reasonably be expected to have a Closing Date Material Adverse Effect.

(u) Representations and Warranties. The Specified Acquisition Agreement Representations and the Specified Representations shall be true and correct in all material respects (except, in each case, that any such representations qualified by materiality shall be true and correct in all respects).

SECTION 4. REPRESENTATIONS AND WARRANTIES

In order to induce Agents and the Lenders to enter into this Agreement and to make each Loan to be made thereby, each Credit Party represents and warrants to each Agent and Lender on the Closing Date that the following statements are true and correct:

4.1. Organization; Requisite Power and Authority; Qualification. Each of Holdings and its Subsidiaries (other than Immaterial Subsidiaries) (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization as identified in Schedule 4.1, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Credit Documents to which it is a party and to carry out the transactions contemplated thereby, and (c) is qualified to do business and in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and could not be reasonably expected to have, a Material Adverse Effect. Schedule 4.1 identifies the Borrower's indirect ownership interests in Joint Ventures.

4.2. Equity Interests and Ownership. The Equity Interests of each of Holdings and its Subsidiaries have been duly authorized and validly issued and are fully paid and non-assessable. Except as set forth on Schedule 4.2 or as permitted by clause (24) of the definition of Permitted Liens, there are no outstanding subscriptions, options, warrants, calls, commitments, conversion rights, convertible securities, rights of exchange, preemptive rights, preferential rights or other rights (contractual or otherwise) or agreements of any kind for the purchase, issuance, sale or acquisition of any of the equity interests of any of the Borrower or any of its Subsidiaries. Schedule 4.2 correctly sets forth the ownership interest of Holdings and each of its Subsidiaries in their respective Subsidiaries.

4.3. Due Authorization. The execution, delivery and performance of the Credit Documents have been duly authorized by all necessary action on the part of each Credit Party that is a party thereto.

4.4. No Conflict. The execution, delivery and performance by Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not (a) violate (i) any provision of any law or any governmental rule or regulation applicable to Holdings or any Credit Party or, in any material respect, any other Subsidiary of Holdings, (ii) any of the Organizational Documents of Holdings or any of its Subsidiaries, or (iii) any order, judgment or decree of any court or other agency of government binding on Holdings or any of its Subsidiaries except, in this clause (a)(iii), where such violation could not reasonably be expected to have a Material Adverse Effect; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any Contractual Obligation of Holdings or any of its Subsidiaries except to the extent such conflict, breach or default could not reasonably be expected to have a Material Adverse Effect; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of Holdings or any of its Subsidiaries (other than any Liens created under any of the Credit Documents in favor of Collateral Agent, for the benefit of the Secured Parties); or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of Holdings or any of its Subsidiaries, except for such approvals or consents which will be obtained on or before the Closing Date and except for any such approvals or consents the failure of which to obtain will not have a Material Adverse Effect.

4.5. Governmental Consents. The execution, delivery and performance by Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not require any registration with, consent or approval of, or notice to, or other action with or by, any Governmental Authority except (i) for filings and recordings with respect to the Collateral to be made or otherwise delivered to Collateral Agent for filing and/or recordation and (ii) those contemplated in the Acquisition Agreements with respect to the Acquisition to be consummated.

4.6. Binding Obligation. Each Credit Document has been duly executed and delivered by each Credit Party that is a party thereto and is the legally valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

4.7. Historical Financial Statements. The Historical Financial Statements (i) have been prepared in all material respects in accordance with GAAP, except as may be indicated in the notes thereto and (ii) present fairly, in all material respects, the financial position of the Acquired Entities (as defined in the applicable U.S. Acquisition Agreement) and Raleigh Seller, as applicable, as of the dates and for the periods indicated. The representations of each Credit Party to this Section 4.7 are made to such Credit Party's knowledge.

4.8. Projections. The consolidated projections of Holdings and its Subsidiaries for the period of Fiscal Year 2016 through and including Fiscal Year 2040, on a quarterly basis for the Fiscal Year 2016 and a yearly basis thereafter (the "**Projections**"), are based on good faith estimates and assumptions made by the management of Holdings; provided, that the Projections are not to be viewed as facts and that actual results during the period or periods covered by the Projections may differ from such Projections and that the differences may be material; provided, further, management of Holdings believes that the Projections are reasonable and attainable.

4.9. No Material Adverse Effect. No event, circumstance or change exists that has caused or evidences, or could reasonably be expected to result in, either in any case or in the aggregate, a Material Adverse Effect.

4.10. No Restricted Payments. Neither Holdings nor Borrower has directly or indirectly declared, ordered, paid or made, or set apart any sum or property for, any Restricted Payment or agreed to do so except as permitted pursuant to Section 6.3.

4.11. Adverse Proceedings, Etc. There are no Adverse Proceedings, individually or in the aggregate, that could reasonably be expected to have a Material Adverse Effect. Neither Holdings nor any of its Subsidiaries (a) is in violation of any applicable laws (including Environmental Laws) that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

4.12. Payment of Taxes. All income and other material Tax returns and reports of Holdings and its Subsidiaries required to be filed by any of them have been timely filed, and all Taxes shown on such tax returns to be due and payable and all material assessments, fees and other governmental charges upon Holdings and its Subsidiaries and upon their respective properties, assets, income, businesses and franchises which are due and payable have been paid when due and payable (other than Taxes, assessments, fees or other governmental charges being contested in good faith by appropriate proceedings). There is no proposed Tax deficiency, in writing, against Holdings or any of its Subsidiaries which is not being actively contested by Holdings or such Subsidiary in good faith and by appropriate proceedings; provided such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP, shall have been made or provided therefor. Holdings and Borrower are treated as entities disregarded from TerraForm Power or any other Person for U.S. federal income tax purposes.

4.13. Properties. Each of Holdings and its Subsidiaries has (i) good and legal title to (in the case of fee interests in real property), (ii) valid leasehold interests in (in the case of leasehold interests in real or personal property), (iii) valid licensed rights in (in the case of licensed interests in intellectual property) and (iv) good title to (in the case of all other personal property), all of their respective properties and assets reflected in their respective Historical Financial Statements referred to in Section 4.7 and in the most recent financial statements delivered pursuant to Section 5.1, in each case except, with respect to any Non-Recourse Subsidiary, as could not reasonably be expected to have a Material Adverse Effect. Except as permitted by this Agreement, all such properties and assets are free and clear of Liens.

4.14. Environmental Matters. Neither Holdings nor any of its Subsidiaries nor any of their respective Facilities or operations are subject to any outstanding written order, consent decree or settlement agreement with any Person relating to any currently applicable Environmental Law or pursuant to any Environmental Claim that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Neither Holdings nor any of its Subsidiaries is subject to any pending or, to their knowledge, threatened, Environmental Claim, that individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. There are and have been no events, conditions or occurrences that would reasonably be expected to form the basis of an Environmental Claim against Holdings or any of its Subsidiaries that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. To the knowledge of Holdings and its Subsidiaries, compliance with all currently applicable Environmental Laws would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. There are no activities, events, conditions or occurrences with respect to Holdings or any of its Subsidiaries relating to their compliance with any Environmental Law or with respect to any Release of Hazardous Materials that, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

4.15. No Defaults. Neither Holdings nor any of its Subsidiaries is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Contractual Obligations, and no condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default, except where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect.

4.16. Material Contracts. Schedule 4.16 contains a true, correct and complete list of all power purchase agreements, tax equity documents and material definitive credit or loan agreements that constitute Material Contracts in effect on the Closing Date (other than agreements not material to the business of Holdings and its Subsidiaries taken as a whole). To Holdings' knowledge, all Material Contracts are in full force and effect and no defaults currently exist thereunder that could reasonably be expected to have a Material Adverse Effect.

4.17. Governmental Regulation. Neither Holdings nor any of its Subsidiaries is subject to regulation under the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. Neither Holdings nor any of its Subsidiaries is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.18. Federal Reserve Regulations; Exchange Act. (%3) None of Holdings or any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(a) No portion of the proceeds of any Loan shall be used in any manner, whether directly or indirectly, that causes or could reasonably be expected to cause, such Loan or the application of such proceeds to violate Regulation T, Regulation U or Regulation X of the Board of Governors or any other regulation thereof or to violate the Exchange Act.

4.19. Employee Matters. Neither Holdings nor any of its Subsidiaries is engaged in any unfair labor practice that could reasonably be expected to have a Material Adverse Effect. There is (a) no unfair labor practice complaint pending against Holdings or any of its Subsidiaries, or to the best knowledge of Holdings and Borrower, threatened against any of them before the National Labor Relations Board and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement that is so pending against Holdings or any of its Subsidiaries or to the best knowledge of Holdings and Borrower, threatened against any of them, (b) no strike or work stoppage in existence or threatened involving Holdings or any of its Subsidiaries, and (c) to the best knowledge of Holdings and Borrower, no union representation question existing with respect to the employees of Holdings or any of its Subsidiaries and, to the best knowledge of Holdings and Borrower, no union organization activity that is taking place, except (with respect to any matter specified in clause (a), (b) or (c) above, either individually or in the aggregate) such as is not reasonably likely to have a Material Adverse Effect.

4.20. Employee Benefit Plans. Borrower, each of the Guarantors and each of their respective ERISA Affiliates are in material compliance with all applicable provisions and requirements of ERISA and the Internal Revenue Code and the regulations and published interpretations thereunder with respect to each Employee Benefit Plan, and have performed all their material obligations under each Employee Benefit Plan. Each Employee Benefit Plan which is intended to qualify under Section 401(a) of the Internal Revenue Code has received a favorable determination letter from the Internal Revenue Service indicating that such Employee Benefit Plan is so qualified or is comprised of a master or prototype plan that has received a favorable opinion letter from the Internal Revenue Service and nothing has occurred subsequent to the issuance of such determination letter or opinion letter which would cause such Employee Benefit Plan to lose its qualified status. No material liability to the PBGC (other than required premium payments), the Internal Revenue Service, any Employee Benefit Plan or any trust established under Title IV of ERISA has been or is expected to be incurred by Borrower, any of the Guarantors or any of their ERISA Affiliates. No ERISA Event has occurred or is reasonably expected to occur. Except to the extent required under Section 4980B of the Internal Revenue Code or similar state laws, no Employee Benefit Plan provides health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of Borrower or any of the Guarantors. The present value of the aggregate benefit liabilities under each Pension Plan sponsored, maintained or contributed to by Borrower, any of the Guarantors or any of their ERISA Affiliates (determined as of the end of the most recent plan year on the basis of the actuarial assumptions specified for funding purposes in the most recent actuarial valuation for such Pension Plan), did not exceed the aggregate current value of the assets of such Pension Plan. As of the most recent valuation date for each Multiemployer Plan for which the actuarial report is available, the potential liability of Borrower, the Guarantors and their respective ERISA Affiliates for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, based on information available pursuant to Section 4221(e) of ERISA is zero. Borrower, each of the Guarantors and each of their ERISA Affiliates have materially complied with the requirements of Section 515 of ERISA with respect to each Multiemployer Plan and are not in material "default" (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan.

4.21. Certain Fees. No broker's or finder's fee or commission will be payable with respect to the lending transactions contemplated hereby, except as payable to Agents and Lenders.

4.22. Solvency. The Credit Parties are, on a consolidated basis, Solvent.

4.23. Compliance with Statutes, Etc. Each of Holdings and its Subsidiaries is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business and the ownership of its property (including compliance with all applicable Environmental Laws with respect to any real property or governing its business and the requirements of any permits issued under such Environmental Laws with respect to any such real property or the operations of Holdings or any of its Subsidiaries), except such non-compliance that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

4.24. Disclosure. The representations and warranties of any Credit Party contained in any Credit Document or in any other documents, certificates or written statements furnished to any Agent or Lender by or on behalf of Holdings or any of its Subsidiaries for use in connection with the transactions contemplated hereby (other than projections and pro forma financial information), when taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact (in the case of any document prepared or provided to a Credit Party by the sellers (or their Affiliates) under any Acquisition Agreements, to the knowledge of such Credit Party) necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which the same were made. Any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by Holdings or Borrower to be reasonable at the time made, it being recognized by Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results. There are no facts known (or which should upon the reasonable exercise of diligence be known) to Holdings or Borrower (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and that have not been disclosed herein or in such other documents, certificates and statements furnished to Lenders for use in connection with the transactions contemplated hereby.

4.25. PATRIOT Act; Anti-Corruption Laws; Anti-Terrorism Laws. To the extent applicable, each Credit Party and each Subsidiary is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (ii) the PATRIOT Act. No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended. None of the Credit Parties, nor any of their respective Subsidiaries nor, to the knowledge of the Credit Parties, any director, officer, employee, agent, affiliate or representative of the Credit Parties or any of their respective Subsidiaries, is a Person that is, or is owned or controlled by a Person that is (i) the subject of any sanctions administered or enforced by the US Department of Treasury's Office of Foreign Assets Control or the US State Department ("**Sanctions**") nor (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions (including, without limitation, North Korea, Sudan and Syria). None of the Credit Parties will, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner, or other Person to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions.

4.26. Energy Regulatory Matters.

(a) Each of the electrical generating facilities owned by Borrower or any of its Subsidiaries located in the United States is, or will be, beginning at the time of first generating electric energy, (i) a small power production facility that is a qualifying facility ("**QF**") under the Federal Energy Regulatory Commission's ("**FERC**") regulations at 18 C.F.R. Part 292 ("**PURPA Regulations**"**)** under the Public Utility Regulatory Policies Act of 1978 ("**PURPA**"**) (**such status as a QF "**QF Status**"); or, (ii) if not a QF, then owned by an "**Exempt Wholesale Generator**" or "**EWG**" within the meaning of the Public Utility Holding Company Act of 2005 ("**PUHCA**") (such status as an EWG, "**EWG Status**"). The QF Status of each such electrical generating facility that is a QF has been or will be, by the time such facility begins to generate electric energy, validly obtained through certification or self-certification pursuant to the PURPA Regulations, or certification or self-certification with respect to such QF Status is not required pursuant to 18 C.F.R. § 292.203(d). The EWG Status of each such owner of an electrical generating facility that is an EWG has been or will be, (by the time the relevant generating facility begins to generate electric energy), validly obtained through determination or self-certification pursuant to the FERC's regulations at 18 C.F.R. Part 366 ("**PUHCA Regulations**").

(b) Each Subsidiary of Holdings that directly owns electrical generating facilities located outside of the United States is a foreign utility company (**"FUCO"**) under the PUHCA Regulations.

(c) Holdings and any of its Subsidiaries are not subject to, or are exempt from, regulation under the federal access to books and records provisions of PUHCA (the "**PUHCA Exemption**"). Any of Holdings and any Subsidiary of Holdings that is a holding company as defined under PUHCA are holding companies under PUHCA solely with respect to one or more QFs, FUCOs or EWGs.

(d) If and to the extent that Holdings or a Subsidiary of Holdings is subject to regulation under Sections 204, 205 and 206 of the FPA it (i) makes all of its sales of electricity exclusively at wholesale, (ii) has authority to engage in wholesale sales of electricity at market-based rates, and to the extent permitted under its market-based rate authority, other products and services at market-based rates, and (iii) has such waivers and authorizations as are customarily granted to market-based rate sellers by FERC, including blanket authorization to issue securities and assume liabilities pursuant to Section 204 of the FPA. Any such market-based rate authorizations and waivers pursuant to the previous sentence are not subject to any pending challenge or investigation at FERC, and FERC has not issued any orders imposing a rate cap, mitigation measure, or other limitation on its authority to engage in sales at market-based rates, other than challenges, investigations, rate caps and mitigation measures generally applicable to wholesale sellers participating in the applicable electric market (such waivers and authorizations are the "**Market-Based Rate Authorizations**"). The Market-Based Rate Authorizations, QF Status, EWG Status, and the PUHCA Exemption and the other authorizations described in paragraph (c) above, are the "**Federal Energy Regulatory Authorizations, Exemptions, and Waivers**".

(e) None of Holdings or any Subsidiary of Holdings will, as the result of the ownership, leasing or operation of its electrical generating facility, the sale or transmission of electricity therefrom or Holdings' or any of its Subsidiaries' entering into any Credit Documents, or any transaction contemplated hereby or thereby, be subject to state laws and regulations respecting the rates of, or the financial or organizational regulation of, electric utilities (as described for purposes of the exemption provided under PURPA as defined in 18 C.F.R. § 292.602(c)) ("**State Electric Utility Regulations**"), except as listed on Schedule 4.26 as such schedule may be amended by Borrower from time to time before or after the Closing Date.

(f) None of the Lenders or any of their "affiliates" (as defined under the PUHCA Regulations) of any of them will, solely as a result of each of Holdings' and its Subsidiaries' respective ownership, leasing or operation of its electrical generating facility, the sale or transmission of electricity therefrom or Holdings' or any of its Subsidiaries' entering into any Credit Documents, or any transaction contemplated hereby or thereby, be subject to regulation under the FPA, PUHCA, or state laws and regulations respecting the rates of, or the financial or organizational regulation of, electric utilities (as described for purposes of the exemption provided under PURPA as defined in 18 C.F.R. § 292.602(c)), except that the exercise by Administrative Agent or the Lenders of certain foreclosure remedies allowed under the Credit Documents may subject the Administrative Agent, the Lenders and their "affiliates" (as that term is defined in PUHCA) to regulation under the FPA, PUHCA or state laws and regulations respecting the rates of, or the financial or organizational regulation of, electric utilities.

SECTION 5. AFFIRMATIVE COVENANTS

Each Credit Party covenants and agrees that, so long as any Commitment is in effect and until payment in full of all Obligations (other than contingent or indemnification obligations for which no claim has been made), each Credit Party shall perform, and if applicable shall cause each of its Subsidiaries to perform, all covenants in this Section 5.

5.1. Financial Statements and Other Reports. Holdings will deliver to Administrative Agent and Lenders:

(a) Quarterly Financial Statements. As soon as available, and in any event within 60 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, commencing with the first full Fiscal Quarter after the Closing Date occurs, the consolidated balance sheets of Holdings and its Subsidiaries as at the end of such Fiscal Quarter and the related consolidated statements of income, stockholders' equity and cash flows of Holdings and its Subsidiaries for such Fiscal Quarter and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter, reflecting adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries, if any, from such financial statements delivered under this clause (a) and setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year, commencing with the first Fiscal Quarter for which such corresponding figures are available, and the corresponding figures from the Financial Plan for the current Fiscal Year, all in reasonable detail, together with a Financial Officer Certification and a Narrative Report with respect thereto;

(b) Annual Financial Statements. As soon as available, and in any event within 120 days after the end of each Fiscal Year, commencing with the first full Fiscal Year after the Closing Date occurs, (i) the consolidated balance sheets of Holdings and its Subsidiaries as at the end of such Fiscal Year and the related consolidated statements of income, stockholders' equity and cash flows of Holdings and its Subsidiaries for such Fiscal Year, reflecting adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries, if any, from such financial statements delivered under this clause (b) and setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year, commencing with the first Fiscal Year for which such corresponding figures are available, together with a Financial Officer Certification and a Narrative Report with respect thereto; and (ii) with respect to such consolidated financial statements a report thereon of KPMG, Deloitte or other independent certified public accountants of recognized national standing selected by Holdings, and reasonably satisfactory to Administrative Agent (which report and/or the accompanying financial statements shall be unqualified as to going concern and scope of audit, and shall state that such consolidated financial statements present fairly, in all material respects, the consolidated financial position of Holdings and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with auditing standards generally accepted in the United States);

(c) Compliance Certificate. Together with each delivery of financial statements of Holdings and its Subsidiaries pursuant to Section 5.1(a) and Section 5.1(b), a duly executed and completed Compliance Certificate and an updated organizational chart of the Borrower in the form of Schedule 4.1;

(d) Statements of Reconciliation after Change in Accounting Principles. If, as a result of any change in accounting principles and policies from those used in the preparation of the Historical Financial Statements, the consolidated financial statements of Holdings and its Subsidiaries delivered pursuant to Section 5.1(a) or Section 5.1(b) will differ in any material respect from the consolidated financial statements that would have been delivered pursuant to such subdivisions had no such change in accounting principles and policies been made, then, together with the first delivery of such financial statements after such change, one or more statements of reconciliation for all such prior financial statements in form and substance satisfactory to Administrative Agent;

(e) Notice of Default. Promptly upon any officer of Holdings or Borrower obtaining knowledge (i) of any condition or event that constitutes a Default or an Event of Default or that notice has been given to Holdings or Borrower with respect thereto; or (ii) of the occurrence of any event or change that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect, a certificate of an Authorized Officer specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action Borrower has taken, is taking and proposes to take with respect thereto;

(f) Notice of Litigation. Promptly upon any officer of Holdings or Borrower obtaining knowledge of (i) any Adverse Proceeding not previously disclosed in writing by Borrower to Lenders, or (ii) any development in any Adverse Proceeding that, in the case of either clause (i) or (ii), if adversely determined could be reasonably expected to have a Material Adverse Effect, or seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other information as may be reasonably available to Holdings or Borrower to enable Lenders and their counsel to evaluate such matters;

(g) ERISA. (i) Promptly upon becoming aware of the occurrence of or forthcoming occurrence of any ERISA Event, a written notice specifying the nature thereof, what action Borrower, any of the Guarantors or any of their respective ERISA Affiliates has taken, is taking or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto; and (ii) with reasonable promptness, copies of (1) each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) filed by Borrower, any of the Guarantors or any of their respective ERISA Affiliates with the Internal Revenue Service with respect to each Pension Plan; (2) all notices received by Borrower, any of the Guarantors or any of their respective ERISA Affiliates from a Multiemployer Plan sponsor concerning an ERISA Event; and (3) such other documents or governmental reports or filings relating to any Employee Benefit Plan as Administrative Agent shall reasonably request;

(h) Financial Plan. As soon as practicable but in any event no later than 120 days following the beginning of each Fiscal Year, a consolidated plan and financial forecast for such Fiscal Year and each Fiscal Year (or portion thereof) through the final maturity date of the Loans (a "**Financial Plan**"), including (i) a forecasted consolidated balance sheet and forecasted consolidated statements of income and cash flows of Holdings and its Subsidiaries for each such Fiscal Year, and an explanation of the assumptions on which such forecasts are based and (ii) forecasted consolidated statements of income and cash flows of Holdings and its Subsidiaries for each month of such Fiscal Year and each Fiscal Quarter of each other Fiscal Year, in each case, broken out on a project-by-project basis that rolls up to a consolidated basis;

(i) Insurance Certificate. If requested by Administrative Agent, as soon as practicable and in any event by the last day of each Fiscal Year, commencing with the first full Fiscal Year after the Closing Date, a certificate from Holdings' insurance broker(s) in form and substance satisfactory to Administrative Agent outlining all material insurance coverage maintained as of the date of such certificate by Holdings and its Subsidiaries;

(j) Notice Regarding Material Contracts. Promptly, and in any event within ten Business Days, after the termination or amendment of any Material Contract of Holdings or any of its Subsidiaries which would reasonably be expected to result in a Material Adverse Effect, notice thereof;

(k) Information Regarding Collateral. Borrower will furnish to Collateral Agent prompt written notice of any change (i) in any Credit Party's corporate name, (ii) in any Credit Party's identity or corporate form, (iii) in any Credit Party's jurisdiction of organization or (iv) in any Credit Party's Federal Taxpayer Identification Number or state organizational identification number. Borrower agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise that are required in order for Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral as contemplated in the Collateral Documents. Borrower also agrees promptly to notify Collateral Agent if any portion of the Collateral is damaged or destroyed and such damage or destruction would reasonably be expected to result in a Material Adverse Effect;

(l) Annual Collateral Verification. Each year, at the time of delivery of annual financial statements with respect to the preceding Fiscal Year pursuant to Section 5.1(b), Borrower shall deliver to Collateral Agent a certificate of its Authorized Officer (i) either confirming that there has been no change in such information since the date of the Collateral Questionnaire delivered on the Closing Date or the date of the most recent certificate delivered pursuant to this Section 5.1 and/or identifying such changes and (ii) certifying that all UCC financing statements (including fixtures filings, as applicable) and all supplemental intellectual property security agreements or other appropriate filings, recordings or registrations, have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified pursuant to clause (i) above (or in such Collateral Questionnaire) to the extent necessary to effect, protect and perfect the security interests under the Collateral Documents for a period of not less than 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period);

(m) Other Information. (A) Together with each delivery of financial statements of Holdings and its Subsidiaries pursuant to Section 5.1(a), copies of (i) all reports or notices material to the interests of the Lenders sent or made available generally by any Credit Party to its equity holders acting in such capacity other than SunEdison or any of its subsidiaries during the period covered by such financial statements or, upon the reasonable request of the Administrative Agent, by any other Subsidiary of Holdings to its equity holders acting in such capacity other than SunEdison or any of its subsidiaries and (ii) all press releases and other statements made available generally by Holdings or any of its Subsidiaries to the public concerning material developments in the business of Holdings or any of its Subsidiaries, and (B) such other information and data with respect to Holdings or any of its Subsidiaries as from time to time may be reasonably requested by Administrative Agent or any Lender, provided that any of the foregoing information which is filed with the Securities and Exchange Commission or otherwise made available to the public, and in each case posted on an Internet website to which each Lender and the Administrative Agent have access shall be deemed to have been delivered to Administrative Agent and Lenders;

(n) Certification of Public Information. Holdings, Borrower and each Lender acknowledge that certain of the Lenders may be Public Lenders and, if documents or notices required to be delivered pursuant to this Section 5.1 or otherwise are being distributed through IntraLinks/ IntraAgency, SyndTrak or another relevant website or other information platform (the "**Platform**"), any document or notice that Holdings or Borrower has indicated contains Non-Public Information shall not be posted on that portion of the Platform designated for such Public Lenders. Each of Holdings and Borrower agrees to clearly designate all information provided to Administrative Agent by or on behalf of Holdings or Borrower which is suitable to make available to Public Lenders. If Holdings or Borrower has not indicated whether a document or notice delivered pursuant to this Section 5.1 contains Non-Public Information, Administrative Agent reserves the right to post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive material Non-Public Information with respect to Holdings, its Subsidiaries and their Securities;

(o) Non-Recourse Project Indebtedness. Together with each delivery of financial statements of Holdings and its Subsidiaries pursuant to Section 5.1(a) and Section 5.1(b), a reconciliation demonstrating in reasonable detail the amount of Non-Recourse Project Indebtedness of all Non-Recourse Subsidiaries; and

(p) Post-Closing Acquisition. Within five (5) Business Days, copies of any material notice received or sent by the Borrower or any Subsidiary from or to the seller or any of its Affiliates pursuant to any Acquisition Agreement in connection with any Post-Closing Acquisition.

(q) Post-Closing Guarantors. Within 60 days after the Closing Date (or such later date as agreed by Administrative Agent in its sole discretion), the Credit Parties shall cause TerraForm IWG Acquisition Intermediate Holdings II, LLC to become a Guarantor under this Agreement and to comply with all of the requirements of a Guarantor under the Pledge and Security Agreement and any applicable provisions of any other Credit Documents.

5.2. Existence. Each Credit Party will, and will cause each of its Subsidiaries (other than Immaterial Subsidiaries) to, at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses and permits material to its business; provided no Credit Party (other than Borrower with respect to existence) or any of its Subsidiaries shall be required to preserve any such existence, right or franchise, licenses and permits if Borrower shall determine that the preservation thereof is no longer desirable in the conduct of the business of such Person or that it is desirable to cease or change the business of such Person, and if the loss thereof is not disadvantageous in any material respect to Borrower or to Lenders.

5.3. Payment of Taxes and Claims. Each Credit Party will, and will cause each of its Subsidiaries to, file all income and other material Tax returns and pay all Taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon, and all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided no such Tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (a) adequate reserves or other appropriate provision, as shall be required in conformity with GAAP, shall have been made therefor, and (b) in the case of a Tax or claim which has or may become a Lien against any of the Collateral, such contest proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax or claim. No Credit Party will, nor will it permit any of its Subsidiaries to, file or consent to the filing of any consolidated income tax return with any Person (other than Holdings or any of its Subsidiaries). Holdings and Borrower will each retain their status as an entity other than a corporation for U.S. federal income tax purposes.

5.4. Maintenance of Properties. Each Credit Party will, and will cause each of its Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear and casualty and condemnation excepted, all material properties used or useful in the business of Holdings and its Subsidiaries and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof, in each case except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

5.5. Insurance. Holdings will maintain or cause to be maintained, with financially sound and reputable insurers, such public liability insurance, third party property damage insurance, business interruption insurance and casualty insurance with respect to liabilities, losses or damage in respect of the assets, properties and businesses of Holdings and its Subsidiaries as may customarily be carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses, in each case in such amounts (giving effect to self-insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for such Persons. Without limiting the generality of the foregoing, Holdings will maintain or cause to be maintained replacement value casualty insurance on the Collateral under such policies of insurance, with such insurance companies, in such amounts, with such deductibles, and covering such risks as are at all times carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses. Subject to Section 5.18, each such policy of insurance of a Credit Party shall (i) name Collateral Agent, for the benefit of the Secured Parties, as an additional insured thereunder as its interests may appear, (ii) in the case of each casualty insurance policy, contain a loss payable clause or endorsement, satisfactory in form and substance to Collateral Agent, that names Collateral Agent, for the benefit of the Secured Parties, as the loss payee thereunder.

5.6. Books and Records; Inspections. Each Credit Party will, and will cause each of its Subsidiaries to, keep proper books of record and accounts in which full, true and correct entries in conformity in all material respects with GAAP shall be made of all dealings and transactions in relation to its business and activities. Each Credit Party will, and will cause each of its Subsidiaries to, permit any authorized representatives designated by any Lender to visit and inspect any of the properties of any Credit Party and any of its respective Subsidiaries, to inspect, copy and take extracts from its and their financial and accounting records, and to discuss its and their affairs, finances and accounts with its and their officers and independent public accountants, all upon reasonable notice and at such reasonable times during normal business hours and as often as may reasonably be requested; provided that, so long as no Default or Event of Default has occurred and is continuing, such inspections shall be limited to once per year.

5.7. Lenders' Meetings. Holdings and Borrower will, upon the request of Administrative Agent or Requisite Lenders, participate in a meeting of Administrative Agent and Lenders once during each Fiscal Year to be held telephonically or at Borrower's corporate offices (or at such other location as may be agreed to by Borrower and Administrative Agent) at such time as may be agreed to by Borrower and Administrative Agent.

5.8. Compliance with Laws. Each Credit Party will comply, and shall cause each of its Subsidiaries and shall use commercially reasonable efforts to cause all other Persons, if any, on or occupying any Facilities to comply, with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority (including all Environmental Laws), non-compliance with which could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect (or, in the case of the laws, rules, regulations and orders referred to in Section 4.25, except to the extent that noncompliance therewith is not material).

5.9. Environmental.

(a) Environmental Disclosure. Holdings will deliver to Administrative Agent and Lenders:

(i) as soon as practicable following receipt thereof, copies of all environmental audits, investigations, analyses and reports of any kind or character, whether prepared by personnel of Holdings or any of its Subsidiaries or by independent consultants, Governmental Authorities or any other Persons, with respect to environmental matters at any Facility or with respect to any Environmental Claims that, in either case, would be reasonably likely to result, individually or in the aggregate, in a Material Adverse Effect;

(ii) as soon as practicable following the occurrence thereof, written notice describing in reasonable detail (1) any Release required to be reported to any Governmental Authority under any applicable Environmental Laws that could reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect, and (2) any remedial action taken by Holdings or any other Person in connection with a violation of applicable Environmental Law or the Release of any Hazardous Materials, which in either event would be reasonably likely to result, individually or in the aggregate, in a Material Adverse Effect;

(iii) as soon as practicable following the sending or receipt thereof by Holdings or any of its Subsidiaries, a copy of any and all material written communications with respect to (1) any Environmental Claims that, individually or in the aggregate, have a reasonable possibility of giving rise to a Material Adverse Effect and (2) any Release required to be reported to any Governmental Authority that could reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect;

(iv) prompt written notice describing in reasonable detail (1) any proposed acquisition of stock, assets or property by Holdings or any of its Subsidiaries that could reasonably be expected to (A) expose Holdings or any of its Subsidiaries to, or result in, Environmental Claims that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or (B) affect the ability of Holdings or any of its Subsidiaries to maintain in full force and effect all Governmental Authorizations required under any Environmental Laws for their respective operations that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and (2) any proposed action to be taken by Holdings or any of its Subsidiaries to modify current operations in a manner that could reasonably be expected to subject Holdings or any of its Subsidiaries to any additional material obligations or requirements under any Environmental Laws; and

(v) with reasonable promptness, such other documents and information as from time to time may be reasonably requested by Administrative Agent in relation to any matters disclosed pursuant to this Section 5.9(a).

(b) Response to Environmental Claims and Violations of Environmental Laws. Each Credit Party shall promptly take, and shall cause each of its Subsidiaries promptly to take, any and all actions necessary to (i) cure any violation of applicable Environmental Laws by such Credit Party or its Subsidiaries that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and (ii) make an appropriate response to any Environmental Claim against such Credit Party or any of its Subsidiaries and discharge any obligations it may have to any Person thereunder where failure to do so could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.10. Subsidiaries. In the event that any Person becomes a Domestic Subsidiary of Holdings or any Unrestricted Subsidiary is converted into a Restricted Subsidiary that is a Domestic Subsidiary after the Closing Date (in each case, other than an Immaterial Subsidiary or a Non-Recourse Subsidiary), Borrower shall (a) promptly cause such Domestic Subsidiary to become a Guarantor hereunder and a Grantor under the Pledge and Security Agreement by executing and delivering to Administrative Agent and Collateral Agent a Counterpart Agreement, and (b) take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments, agreements, and certificates reasonably requested by Collateral Agent. In the event that any Person becomes a Foreign Subsidiary of Borrower or any Unrestricted Subsidiary is converted into a Restricted Subsidiary that is a Foreign Subsidiary after the Closing Date (in each case, other than a Non-Recourse Subsidiary), and the ownership interests of such Foreign Subsidiary are owned by Borrower or by any Domestic Subsidiary thereof, Borrower shall, or shall cause such Domestic Subsidiary to, deliver, all such documents, instruments, agreements, and certificates as are similar to those described in Section 3.1(c), and Borrower shall take, or shall cause such Domestic Subsidiary to take, all of the actions referred to in Section 3.1(g)(i) necessary to grant and to perfect a First Priority Lien in favor of Collateral Agent, for the benefit of Secured Parties, under the Pledge and Security Agreement in 65% of the outstanding voting stock and 100% of the outstanding non-voting stock of such Subsidiary, except that any such equity interests constituting "stock entitled to vote" within the meaning of Treasury Regulation Section 1.956-2(c)(2) shall be treated as voting stock for purposes of this Section 5.10. Notwithstanding anything to the contrary herein, in no event will any of the outstanding voting stock of a Controlled Foreign Corporation, in excess of 65% of the voting power of all classes of capital stock of such Controlled Foreign Corporation entitled to vote, be pledged. With respect to each such Subsidiary, Borrower shall promptly send to Administrative Agent written notice setting forth with respect to such Person (i) the date on which such Person became a Subsidiary of Borrower or was converted into a Restricted Subsidiary, as applicable, and (ii) all of the data required to be set forth in Schedules 4.1 and 4.2 with respect to all Subsidiaries of Borrower; and such written notice shall be deemed to supplement Schedules 4.1 and 4.2 for all purposes hereof. Notwithstanding anything to the contrary herein, neither Holdings nor any of its Subsidiaries shall be required to grant a security interest in the Equity Interests of any Non-Recourse Subsidiary (other than any Non-Recourse Subsidiary Pledgee) or Unrestricted Subsidiary.

5.11. Further Assurances. At any time or from time to time upon the reasonable request of Administrative Agent, each Credit Party will, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as Administrative Agent or Collateral Agent may reasonably request in order to effect fully the purposes of the Credit Documents. In furtherance and not in limitation of the foregoing, each Credit Party shall take such actions as Administrative Agent or Collateral Agent may reasonably request from time to time to ensure that the Obligations are guaranteed by the Guarantors and are secured by substantially all of the assets of Holdings and its Subsidiaries (other than Non-Recourse Subsidiaries and Immaterial Subsidiaries) and all of the outstanding Equity Interests of Borrower and its Subsidiaries (subject to limitations contained in the Credit Documents with respect to Foreign Subsidiaries and Non-Recourse Subsidiaries (other than any Non-Recourse Subsidiary Pledgee)).

5.12. Cash Management Systems. Unless otherwise consented to by Agents or Requisite Lenders, the Credit Parties shall establish and maintain cash management systems reasonably acceptable to Administrative Agent.

5.13. Designation of Subsidiaries. Subject to the limitations contained in the definition of "Unrestricted Subsidiary", an Authorized Officer of Borrower may at any time designate any Restricted Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; provided that (i) immediately before and after such designation, no Default or Event of Default shall have occurred and be continuing; (ii) no Subsidiary may be designated as an Unrestricted Subsidiary if it is a "Restricted Subsidiary" for the purpose of any subordinated Indebtedness of any Credit Party; (iii) no Restricted Subsidiary may be designated as an Unrestricted Subsidiary if it was previously designated an Unrestricted Subsidiary; (iv) Borrower shall deliver to Administrative Agent at least five Business Days prior to such designation a certificate of an Authorized Officer of Borrower, together with all relevant financial information reasonably requested by Administrative Agent, demonstrating compliance with the foregoing clauses (i) through (iii) of this Section 5.13 and, if applicable, certifying that such subsidiary meets the requirements of an "Unrestricted Subsidiary"; and (v) at least ten days prior to the designation of any Unrestricted Subsidiary as a Restricted Subsidiary, the Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the PATRIOT Act, with respect to such subsidiary. The designation of any subsidiary as an Unrestricted Subsidiary shall constitute an Investment by Borrower therein at the date of designation in an amount equal to the fair market value of Borrower's Investment therein. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute the incurrence by such Restricted Subsidiary at the time of designation of any Indebtedness or Liens of such Subsidiary existing at such time.

5.14. Ratings. Upon request by Administrative Agent after the Closing Date, and at all times thereafter, Borrower shall use commercially reasonable efforts to obtain and thereafter maintain (a) a public corporate family rating, if applicable, issued by Moody's and a public corporate credit rating, if applicable, issued by S&P and (b) a public credit rating from each of Moody's and S&P with respect to the Loans.

5.15. Energy Regulatory Status. Each Credit Party shall take, and shall cause each of its Subsidiaries promptly to take, any and all actions necessary to maintain the Federal Energy Regulatory Authorizations, Exemptions, and Waivers, and as applicable to maintain exemption from or compliance with any State Electric Utility Regulations, in each case, except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.16. Project Deposit Account. Borrower shall maintain a deposit account (the "**Project Deposit Account**") subject to a First Priority Lien in favor of Collateral Agent and a customary control agreement in favor of Collateral Agent (in form and substance reasonably satisfactory to Collateral Agent), into which all distributions from any Credit Party and its Subsidiaries shall be deposited and from which all Borrower Debt Service Expense, mandatory prepayments pursuant to Section 2.11(a) through (d), Restricted Payments permitted pursuant to Section 6.3 and payments in respect of reasonable administrative and operating costs of Borrower shall be made. Borrower shall cause all Cash available for distribution (as determined in good faith by Borrower) from its Subsidiaries to be distributed by such Subsidiaries and deposited in such Project Deposit Account.

5.17. Maintenance of Corporate Separateness

(a) Each Credit Party shall maintain its existence separate and distinct from any other Person, including taking the actions set forth on Schedule 3.1(c).

(b) The failure of any Credit Party, or Holdings on behalf of any other Credit Party, to comply with Section 5.17(a) or any other covenants contained in this Agreement shall not affect the status of such Credit Party as a separate legal entity or the limited liability of Holdings. So long as any obligation under the Credit Documents is outstanding, Holdings shall not cause or permit any other Credit Party to take any of the actions set forth on Schedule 5.17(b) or to violate any separateness provisions contained in the Organizational Documents.

5.18. Post-Closing Covenants. Within 30 days after the Closing Date (or such later date as agreed by Administrative Agent in its sole discretion), the Credit Parties shall deliver (or cause to be delivered) original membership interests and corresponding transfer powers with respect to TerraForm Utility Solar XIX Manager, LLC, TerraForm IWG Acquisition Holdings, LLC, Invenergy Prairie Breeze Holdings LLC and TerraForm IWG Intermediate Holdings II, LLC. Within 90 days after the Closing Date (or such later date as agreed by Administrative Agent in its sole discretion), each Credit Party shall deliver to Collateral Agent a certificate from the applicable Credit Party's insurance broker or other evidence reasonably satisfactory to it that all insurance required to be maintained pursuant to Section 5.5 is in full force and effect, together with endorsements naming Collateral Agent, for the benefit of Secured Parties, as additional insured and loss payee thereunder to the extent required under Section 5.5.

SECTION 6. NEGATIVE COVENANTS

Each Credit Party covenants and agrees that, so long as any Commitment is in effect and until payment in full of all Obligations (other than contingent or indemnification obligations for which no claim has been made), such Credit Party shall perform, and if applicable shall cause each of its Subsidiaries to perform, all covenants in this Section 6.

6.1. Limitation on Indebtedness, Disqualified Equity Interests and Preferred Equity.

(a) Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness (including Acquired Debt), and Borrower will not issue any Disqualified Equity Interests and will not permit its Restricted Subsidiaries to issue any Disqualified Equity Interests or Preferred Equity other than (collectively, "**Permitted Debt**"):

(i) the Obligations;

(ii) any Indebtedness outstanding on the Closing Date and specified on Schedule 6.1;

(iii) Indebtedness of Non-Recourse Subsidiaries (other than any Non-Recourse Subsidiary Pledgee) represented by Capitalized Lease Obligations, mortgage financings or purchase money obligations, or incurred to finance or refinance the acquisition, leasing, construction, design, installment or improvement of property (real or personal) or assets (including Equity Interests), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Equity Interests of any Person owning such property or assets, in an aggregate outstanding principal amount as of the date of any incurrence pursuant to this clause (iii) which, when taken together with the principal amount of all other Indebtedness incurred pursuant to this clause (iii) and that is then outstanding (and any Refinancing Indebtedness in respect of Indebtedness originally incurred pursuant to this clause (iii) and then outstanding), will not exceed $15,000,000;

(iv) Indebtedness of a Credit Party owed to another Credit Party, evidenced by an Intercompany Note and subject to a First Priority Lien pursuant to the Pledge and Security Agreement; provided that (A) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than Borrower or a Restricted Subsidiary and (B) any transfer of such Indebtedness to a Person that is not Borrower or a Restricted Subsidiary will be deemed, in each case, to constitute an incurrence of such Indebtedness by Borrower or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (iv);

(v) the issuance by any of Borrower's Restricted Subsidiaries to Borrower or to any of its Restricted Subsidiaries that are Credit Parties of shares of Preferred Equity or Disqualified Equity Interests; provided, however, that: (A) any subsequent issuance or transfer of Equity Interests that results in any such Preferred Equity or Disqualified Equity Interests being held by a Person other than Borrower or a Restricted Subsidiary of Borrower; and (B) any sale or other transfer of any such Preferred Equity or Disqualified Equity Interests to a Person that is not either Borrower or a Restricted Subsidiary of Borrower, will be deemed, in each case, to constitute an issuance of such Preferred Equity or Disqualified Equity Interests by such Restricted Subsidiary that was not permitted by this clause (v);

(vi) Indebtedness of Borrower and its Restricted Subsidiaries incurred in respect of worker's compensation claims or claims arising under similar legislation, self-insurance or similar obligations, performance, surety and similar bonds and completion guarantees provided by Borrower and its Restricted Subsidiaries in the ordinary course of business;

(vii) Indebtedness of Borrower and its Restricted Subsidiaries providing for indemnification, adjustment of purchase price or similar obligations in connection with the acquisition or disposition of any business, assets or Equity Interests of a Subsidiary of Borrower after the Closing Date;

(viii) Indebtedness arising from honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds or credit lines in the ordinary course of business; provided that such Indebtedness is disbursed within seven days of incurrence;

(ix) advance payments received from customers for goods and services purchased and credit periods in the ordinary course of business;

(x) Indebtedness constituting reimbursement obligations with respect to letters of credit, bankers' acceptances or similar instruments or obligations issued in the ordinary course of business; provided that upon the drawing or other funding of such letters of credit or other instruments or obligations, such drawings or fundings are reimbursed within seven Business Days;

(xi) Indebtedness in respect of (A) cash pooling arrangements, (B) Bank Product Obligations and (C) obligations in respect of Hedge Agreements (other than Hedge Agreements entered into for speculative purposes);

(xii) the guarantee by (A) Borrower or a Restricted Subsidiary of Indebtedness (other than Non-Recourse Project Indebtedness) that is permitted to be incurred pursuant to another provision of this Section 6.1; provided that if the Indebtedness being guaranteed is subordinated to or pari passu with the Loans, then the guarantee will be subordinated or pari passu, as applicable, to the same extent as the Indebtedness guaranteed; and (B) a Non-Recourse Subsidiary of Indebtedness of any of its Subsidiaries that is also a Non-Recourse Subsidiary;

(xiii) reserved;

(xiv) Indebtedness that constitutes Non-Recourse Project Indebtedness that is incurred by a Non-Recourse Subsidiary and Preferred Equity or Disqualified Equity Interests issued by a Non-Recourse Subsidiary (including Preferred Equity or Disqualified Equity Interests outstanding at the time such Non-Recourse Subsidiary becomes a Restricted Subsidiary);

(xv) guarantees by Non-Recourse Subsidiaries (other than any Non-Recourse Subsidiary Pledgee) in the ordinary course of business of obligations to suppliers, customers, franchisees and licensees related to such Non-Recourse Subsidiaries; provided that each Subsidiary may only incur such Indebtedness with respect to the Subsidiaries of the Project Holdco that is the direct or indirect parent of such Subsidiary;

(xvi) Indebtedness representing deferred compensation to employees of Borrower or any of its Restricted Subsidiaries;

(xvii) Indebtedness consisting of the financing of insurance premiums or take-or-pay obligations contained in supply agreements, in each case, in the ordinary course of business;

(xviii) Indebtedness of Borrower and any Restricted Subsidiary of Borrower owed to TerraForm Power and its subsidiaries (other than Holdings and its Subsidiaries) with respect to any advances made by TerraForm Power to, or on behalf of, a Restricted Subsidiary pursuant to any equity capital contribution agreement, tax indemnity agreement or other agreement related to the tax equity financing of the applicable Project, in an aggregate outstanding principal amount as of the date of any incurrence pursuant to this clause (xviii) which, when taken together with the principal amount of all other Indebtedness incurred pursuant to this clause (xviii) and then outstanding, will not exceed $25,000,000 ("Permitted Intercompany Indebtedness");

(xix) reserved; and

(xx) any Refinancing Indebtedness incurred with respect to the refinancing of any Indebtedness permitted under clause (ii), (iii) or (xviii) of this Section 6.1(a).

(b) For purposes of determining compliance with this Section 6.1, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories described in paragraphs (a)(i) through (xxiii) of this Section 6.1 the Borrower will be permitted to classify such item of Indebtedness on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Section 6.1.

The accrual of interest or Preferred Equity or Disqualified Equity Interests dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of Preferred Equity or Disqualified Equity Interests as Indebtedness due to a change in accounting principles and the payment of dividends on Preferred Equity or Disqualified Equity Interests in the form of additional shares of the same class of Preferred Equity or Disqualified Equity Interests will not be deemed to be an incurrence of Indebtedness or an issuance of Preferred Equity or Disqualified Equity Interests for purposes of this Section 6.1. For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred. Notwithstanding any other provision of this Section 6.1, the maximum amount of Indebtedness that the Borrower or any Restricted Subsidiary may incur pursuant to this Section 6.1 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(A) the Fair Market Value of such assets at the date of determination; and

(B) the amount of the Indebtedness of the other Person.

With respect to any acquisition of a Permitted Business or long-term assets used or useful in a Permitted Business (whether by merger, consolidation or other business combination or the acquisition of Equity Interests), for purposes of determining whether:

(1) any Indebtedness (including Acquired Debt) that is being incurred in connection with such acquisition is permitted to be incurred in compliance with this Section 6.1; and

(2) whether any Lien being incurred to secure any such Indebtedness is permitted to be incurred in accordance with Section 6.2,

any calculation of Consolidated Total Assets may be made, at the option of Borrower, using the date that the definitive agreement for such acquisition is entered into (the "**Acquisition Agreement Date**") as the applicable date of determination of Consolidated Total Assets with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of "Consolidated Total Assets". For the avoidance of doubt, if Borrower elects to use the Acquisition Agreement Date as the applicable date of determination in accordance with the foregoing, any fluctuation or change in Consolidated Total Assets of Borrower or the Permitted Business or assets to be acquired subsequent to the Acquisition Agreement Date and prior to the consummation of such acquisition will not be taken into account for purposes of determining whether any Indebtedness (including Acquired Debt) that is being incurred in connection with such acquisition is permitted to be incurred in compliance with this Section 6.1, or whether any Lien being incurred to secure any such Indebtedness is permitted to be incurred in accordance with Section 6.2, but any Indebtedness, Investment or other transaction that is required to be given pro forma effect in accordance with the applicable adjustment provisions described above incurred or consummated after the Acquisition Agreement Date and on or prior to the consummation of such acquisition will be taken into account.

6.2. Liens. Borrower will not, and will not permit any of its Subsidiaries to, create any Lien upon the whole or any part of the currently owned or after-acquired property of Borrower or any of its Subsidiaries or assets to secure any Indebtedness or any guarantee or indemnity in respect of any Indebtedness other than Permitted Liens.

6.3. Restricted Payments.

(a) Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of Borrower's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving Borrower or its Restricted Subsidiaries) or to the direct or indirect holders of Borrower's or any of its Restricted Subsidiaries' Equity Interests in their capacity as holders (other than dividends or distributions payable in Equity Interests (other than Disqualified Equity Interests or Preferred Equity) of Borrower or any of its Restricted Subsidiaries and other than dividends or distributions payable to Borrower or its Restricted Subsidiaries);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Borrower) any Equity Interests of Borrower or any direct or indirect parent entity of the Borrower other than Equity Interests held by Borrower or any of its Restricted Subsidiaries;

(3) make any payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any subordinated Indebtedness (excluding any intercompany Indebtedness between or among Borrower and any of its Restricted Subsidiaries), except (i) a payment of interest or principal at the Stated Maturity thereof or (ii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any subordinated Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or payment at final maturity, in each case due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement for value; or

(4) make any Restricted Investment in any Person,

(all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as "**Restricted Payments**").

(b) The preceding provisions will not prohibit:

(1) the payment of any dividend or the consummation of any redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with this Agreement, including this Section 6.3;

(2) any Special Restricted Distribution;

(3) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of Holdings held by any current or former officer, director, employee or consultant of Borrower or any of its Restricted Subsidiaries or Holdings pursuant to any equity subscription agreement, stock option agreement, restricted stock grant, shareholders' agreement or similar agreement; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed $5,000,000 in any calendar year (with unused amounts in any calendar year being carried over to succeeding calendar years); and provided, further, that such amount in any calendar year may be increased by an amount not to exceed the cash proceeds from (i) the sale of Equity Interests of Borrower received by Borrower or a Restricted Subsidiary during such calendar year, in each case to members of management, directors or consultants of Borrower, any of its Restricted Subsidiaries or Holdings and (ii) key man life insurance policies received by Borrower or any of its Restricted Subsidiaries in such calendar year;

(4) the defeasance, redemption, repurchase, repayment or other acquisition of subordinated Indebtedness with the net cash proceeds from an incurrence of Refinancing Indebtedness permitted hereunder;

(5) reserved;

(6) reserved;

(7) reserved;

(8) reserved;

(9) reserved;

(10) Permitted Tax Distributions;

(11) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Equity Interests in accordance with the charter, partnership agreement, limited liability company agreement or other governing documents of such Restricted Subsidiary or on a pro rata basis or a more favorable basis to Borrower or the Restricted Subsidiary that is the parent of the Restricted Subsidiary making such payment;

(12) reserved;

(13) the payment of other Restricted Payments by Borrower or any of its Restricted Subsidiaries; provided, that (A) no Default or Event of Default shall have occurred and be continuing or shall be caused thereby and (B) Borrower shall be in compliance with a Debt Service Coverage Ratio of 1.20:1.00 or greater as calculated on the last day of most recently ended Fiscal Quarter; or

(14) any payment made in respect of Permitted Intercompany Indebtedness.

(c) The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by Borrower or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment, without giving effect to subsequent changes in value. The Fair Market Value of any cash Restricted Payment shall be its face amount.

For purposes of determining compliance with this Section 6.3, in the event that a proposed Restricted Payment (or a portion thereof) meets the criteria of clauses (1) through (13) of Section 6.3(b) or is entitled to be made as a Permitted Investment, the Borrower will be able to classify or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment (or a portion thereof) between such clauses (1) through (13) of Section 6.3(b) or as a Permitted Investment in any manner that otherwise complies with this Section 6.3.

6.4. Restrictions on Subsidiary Distributions.

(a) Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to:

(1) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Equity Interests or any other interest or participation in, or measured by, its profits;

(2) pay any Indebtedness owed to Borrower or any other Restricted Subsidiary;

(3) make loans or advances to Borrower or any other Restricted Subsidiary; or

(4) transfer any of its properties or assets to Borrower or any other Restricted Subsidiary.

(b) The provisions described in Section 6.4(a) hereof will not apply to:

(1) encumbrances and restrictions existing under or by reason of this Agreement, each Guaranty and any Non-Recourse Project Indebtedness outstanding as of the Closing Date (as in effect as of the Closing Date, without giving effect to any amendment or modification in respect thereof);

(2) encumbrances and restrictions imposed by provisions in agreements relating to Non-Recourse Project Indebtedness that is permitted by this Agreement to be incurred after the Closing Date; provided that the encumbrances and restrictions contained in any such agreements are not materially less favorable to the Lenders taken as a whole than the encumbrances and restrictions in agreements relating to Non-Recourse Project Indebtedness existing on the Closing Date;

(3) reserved;

(4) any agreement or instrument in effect on the Closing Date and specified on Schedule 6.4;

(5) with respect to restrictions or encumbrances referred to in clause (a)(3) above, encumbrances and restrictions: (i) that restrict in a customary manner the subletting, assignment or transfer of any properties or assets that are subject to a lease, license, conveyance or other similar agreement to which Borrower or any Restricted Subsidiary is a party; and (ii) contained in operating leases for real property and restricting only the transfer of such real property upon the occurrence and during the continuance of a default in the payment of rent;

(6) encumbrances or restrictions contained in any agreement or other instrument of (i) a Person acquired by the Borrower or any Restricted Subsidiary in effect at the time of such acquisition or (ii) an Unrestricted Subsidiary, at the time it is designated or deemed to become a Restricted Subsidiary, in each case, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the acquired or redesignated Person, or the property or assets of the acquired or redesignated Person, and was not put in place in contemplation of such event;

(7) encumbrances or restrictions contained in contracts for sales of Equity Interests or assets permitted by Section 6.5 with respect to the assets or Equity Interests to be sold pursuant to such contract or in customary merger or acquisition agreements (or any option to enter into such contract) for the purchase or acquisition of Equity Interests or assets or any of Borrower's Subsidiaries by another Person;

(8) encumbrances or restrictions existing under or by reason of applicable law, regulation or similar restriction or by governmental licenses, concessions, franchises or permits;

(9) encumbrances or restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(10) customary provisions in joint venture agreements and other similar agreements or arrangements (including limited liability company, limited partnership and similar agreements) relating to such joint venture entered into in the ordinary course of business;

(11) in the case of clause (a)(3) above, customary encumbrances or restrictions in connection with purchase money obligations, mortgage financings and Capitalized Lease Obligations;

(12) any encumbrance or restriction arising by reason of customary non-assignment provisions;

(13) customary restrictions on fiduciary cash held by Borrower's Restricted Subsidiaries;

(14) customary provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements, including with respect to intellectual property and other agreements;

(15) customary restrictions on the transfer of non-cash assets contained in power purchase agreements and similar agreements;

(16) restrictions on Non-Recourse Subsidiaries (other than any Non-Recourse Subsidiary Pledgee) in documentation evidencing Project Obligations;

(17) customary provisions in Hedge Agreements;

(18) customary provisions contained in agreements entered into in the ordinary course of business or encumbrances or restrictions existing under or by reason of any Lien permitted to be incurred pursuant to Section 6.2;

(19) encumbrances or restrictions contained in the charter, partnership agreement or limited liability company agreement or other governing documents of a Restricted Subsidiary relating to tax equity or similar financings;

(20) any encumbrance or restriction pursuant to an agreement or instrument effecting a refunding, renewal, replacement or refinancing of Indebtedness incurred pursuant to, or that otherwise extends, renews, refunds, increases, supplements, modifies, refinances or replaces, an agreement, contract, obligation or instrument referred to in clauses (1), (2), (4), (6) or (7) of this Section 6.4(b) or contained in any amendment, supplement or other modification to an agreement referred to in clauses (1), (2), (4), (6) or (7) of this Section 6.4(b); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are not materially less favorable to the Lenders taken as a whole than the encumbrances and restrictions contained in such agreements and instruments referred to in clauses (1), (2), (4), (6) or (7) of this Section 6.4(b) (as determined in good faith by Borrower); or

(21) any encumbrance or restriction under any of the Credit Documents.

For purposes of determining compliance with this Section 6.4, (1) the priority of any Preferred Equity or Disqualified Equity Interests in receiving dividends or distributions prior to dividends or distributions being paid on common stock will not be deemed a restriction on the ability to make distributions on Equity Interests and (2) the subordination of loans or advances made to Borrower or a Restricted Subsidiary to other Indebtedness incurred by Borrower or any such Restricted Subsidiary will not be deemed a restriction on the ability to make loans or advances.

6.5. Asset Sales.

(a) Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

(1) Borrower (or the relevant Restricted Subsidiary, as the case may be) receives cash consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; provided, that, Fair Market Value shall be determined by an independent third-party appraiser in the case of Asset Sales of all or any portion of the Projects to TerraForm Power Operating, LLC or any of its Affiliates; and

(2) Borrower shall apply the Net Asset Sale Proceeds therefrom to the prepayment of Loans to the extent required pursuant to Section 2.11(a).

6.6. Transactions with Shareholders and Affiliates.

(a) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets or property or the rendering of any service) with, or for the benefit of, any Affiliate of a Credit Party involving aggregate payments or consideration in excess of $5,000,000, unless:

(1) such transaction or series of transactions is on terms that, taken as a whole, are not materially less favorable to the Borrower or such Restricted Subsidiary, as the case may be, than those that would have been obtained in a comparable transaction at such time on an arm's-length basis with third parties that are not Affiliates; and

(2) with respect to any transaction or series of related transactions involving aggregate payments or the transfer of assets or the provision of services, in each case, having a value greater than $75,000,000, TerraForm PH II must approve such transaction.

(b) Notwithstanding the foregoing, the restrictions set forth in this Section 6.6 will not apply to:

(1) customary directors' fees and expenses, indemnities and similar arrangements (including the payment of directors' and officers' insurance premiums), consulting fees, employee compensation, employee and director bonuses, employment agreements and arrangements or employee benefit arrangements, including stock options or legal fees, as determined in good faith by Borrower;

(2) any Restricted Payment not prohibited by Section 6.3;

(3) loans and advances (or guarantees to third party loans, but not any forgiveness of such loans or advances) to directors, officers or employees of Borrower or any Restricted Subsidiary made in the ordinary course of business and permitted by Section 6.1;

(4) agreements and arrangements existing on the Closing Date, and the performance by the Borrower or any Restricted Subsidiary of their obligations thereunder and any amendments, modifications, replacements or supplements thereto; provided that any such amendments, modifications, replacements or supplements, taken as a whole, are not more disadvantageous to the Lenders in any material respect than the original agreements or arrangements as in effect on the Closing Date as determined by Borrower;

(5) the issuance of securities pursuant to, or for the purpose of the funding of, employment arrangements, stock options and stock ownership plans, as long as the terms thereof are or have been previously approved by Borrower or the relevant Restricted Subsidiary's governing Person or body;

(6) transactions between or among the Credit Parties;

(7) reserved;

(8) reserved;

(9) the existence of, or the performance by Borrower or any of its Restricted Subsidiaries of its obligations under the terms of, any stockholders agreement (including any registration rights agreement or purchase agreement relating thereto) to which it is a party as of the Closing Date and any similar agreements which it may enter into thereafter; provided, however, that the existence of, or the performance by Borrower or any of its Restricted Subsidiaries of, obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Closing Date shall only be permitted by this clause (9) to the extent that the terms of any such amendment or new agreement, taken as a whole, are not disadvantageous to the Lenders in any material respect;

(10) transactions with respect to which Borrower has obtained an opinion as to the fairness to Borrower and its Restricted Subsidiaries from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing;

(11) transactions with (i) Unrestricted Subsidiaries or (ii) Joint Ventures in which Borrower or a Subsidiary of Borrower holds or acquires an ownership interest (whether by way of Equity Interests or otherwise), in each case, so long as the terms of such transactions are, taken as a whole, at least as favorable to Borrower or the applicable Restricted Subsidiary as might reasonably have been obtained at such time from an unaffiliated party as determined by Borrower;

(12) transactions between Borrower or any of its Restricted Subsidiaries and any Person that is an Affiliate solely as a result of the ownership by Borrower or any of the Restricted Subsidiaries of Equity Interests of such Person;

(13) transactions with Persons solely in their capacity as holders of Indebtedness of Borrower or any of its Restricted Subsidiaries where such Persons are treated no more favorably than holders of Indebtedness of Borrower or such Restricted Subsidiaries generally;

(14) Permitted Project Undertakings and Permitted Equity Commitments; and

(15) transactions in respect of Permitted Intercompany Indebtedness.

6.7. Conduct of Business. From and after the Closing Date, no Credit Party shall, nor shall it permit any of its Subsidiaries to, engage in any business other than (i) the businesses engaged in by such Credit Party on the Closing Date and related, complementary, incidental, ancillary or similar businesses, including, for the avoidance of doubt, owning, developing, constructing, leasing, financing, selling and/or operating Clean Energy Systems (including entering into Hedge Agreements related to the same) and (ii) such other lines of business as may be consented to by Requisite Lenders.

6.8. Permitted Activities of Project Holdcos. Except pursuant to agreements existing as of the Closing Date, no Project Holdco shall (a) incur any Indebtedness or any other obligation or liability whatsoever other than (i) the Indebtedness and obligations under this Agreement and the other Credit Documents, (ii) pursuant to intercompany loan agreements permitted hereunder, (iii) pursuant to Swap Contracts permitted hereunder and (iv) in connection with the sales of Persons or other assets permitted hereunder; (b) create or suffer to exist any Lien upon any property or assets now directly owned or hereafter acquired, leased or licensed by it other than the Liens created under the Collateral Documents to which it is a party or permitted pursuant to Section 6.2; (c) engage in any business or activity or own any assets other than (i) holding Equity Interests of Non-Recourse

Subsidiaries and other Subsidiaries of Borrower, (ii) performing its obligations and activities incidental thereto under the Credit Documents, (iii) entering into Swap Contracts and intercompany loan agreements permitted hereunder and (iv) performing its obligations in connection with sales of Persons or other assets permitted hereunder; (d) consolidate with or merge with or into, or convey, transfer, lease or license all or substantially all its assets to, any Person, except as permitted pursuant to Section 6.5; (e) sell or otherwise dispose of any Equity Interests of any of its Subsidiaries, except as permitted pursuant to Section 6.5; or (f) fail to hold itself out to the public as a legal entity separate and distinct from all other Persons. For the avoidance of doubt, in no event shall any Project Holdco (i) guaranty or otherwise provide any credit support in respect of any Indebtedness, Project Obligations, or other obligations of any other Project Holdco or any other Project Holdco's subsidiaries, (ii) transfer, convey, lease or license any of its assets (or any Equity Interests directly or indirectly owned by it) to any other Project Holdco or any other Project Holdco's subsidiaries, (iii) acquire any assets (or any Equity Interests directly or indirectly) owned by any other Project Holdco or any other Project Holdco's subsidiaries, or (iv) consolidate with or merge with or into any other Project Holdco or any other Project Holdco's subsidiaries.

6.9. Fiscal Year. No Credit Party shall, nor shall it permit any of its Subsidiaries to, change its Fiscal Year end from December 31.

6.10. Amendments or Waivers of Organizational Documents and Certain Other Documents. No Credit Party shall, nor shall it permit any of its Subsidiaries to, agree to any termination, release, amendment, restatement, supplement or other modification to, or waiver of, any of its Organizational Documents (including any separateness provisions contained therein) if the effect of such termination, release, amendment, restatement, supplement, modification or waiver would reasonably be expected to (a) materially reduce the dividends or other distributions payable with respect to the Equity Interests retained by a Subsidiary of the Borrower following a sale, (b) result in the incurrence of (or, if following such termination, release, amendment, restatement, supplement, modification or waiver the applicable Person will no longer be a Credit Party or Subsidiary, permit such Person to incur) additional Indebtedness not permitted hereunder, in a manner adverse to the Borrower or the Lenders, or (c) otherwise be adverse to the interests of the Lenders in any material respect (as determined in good faith by Borrower). No Credit Party shall, nor shall it permit any of its Subsidiaries to, agree to any termination, release, amendment, restatement, supplement or other modification to, or waiver of, any Material Contract to the extent such termination, release, amendment, restatement, supplement, modification or waiver could reasonably be expected to result in a Material Adverse Effect.

6.11. Financial Covenant. Borrower shall not permit the Debt Service Coverage Ratio as of the last day of any Fiscal Quarter, beginning with the Fiscal Quarter ending March 31, 2016, to be less than 1.20:1.00.

6.12. Amendments or Waivers of Acquisition Agreement. No Credit Party shall, nor shall it permit any of its Subsidiaries to, agree to any waiver, supplement, modification or other amendment to any Acquisition Agreement, to the extent any such waiver, supplement, modification or amendment would be adverse to the Lenders in any material respect (and provided that the Borrower promptly furnishes to the Administrative Agent a copy of such amendment, modification or supplement).

6.13. Permitted Activities of Holdings

. Holdings shall not (a) incur, directly or indirectly, any Indebtedness or any other obligation or liability whatsoever other than the Indebtedness and obligations under this Agreement and the other Credit Documents; (b) create or suffer to exist any Lien upon any property or assets now directly owned or hereafter acquired, leased or licensed by it other than the Liens created under the Collateral Documents to which it is a party and Permitted Liens pursuant to clause 7 of the definition of Permitted Liens; (c) engage in any business or activity or own any assets other than (i) holding 100% of the Equity Interests of Borrower and (ii) performing its obligations and activities incidental thereto under the Credit Documents; (d) consolidate with or merge with or into, or convey, transfer, lease or license all or substantially all its assets to, any Person; (e) sell or otherwise dispose of any Equity Interests of the Borrower; (f) create or acquire any Subsidiary or make or own any Investment in any Person other than Borrower; or (g) fail to hold itself out to the public as a legal entity separate and distinct from all other Persons.

SECTION 7. GUARANTY

7.1. Guaranty of the Obligations. Subject to the provisions of Section 7.2, Guarantors jointly and severally hereby irrevocably and unconditionally guaranty to Administrative Agent, for the ratable benefit of the Beneficiaries, the due and punctual payment in full of all Obligations when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the "**Guaranteed Obligations**").

7.2. Contribution by Guarantors. All Guarantors desire to allocate among themselves (collectively, the "**Contributing Guarantors**"), in a fair and equitable manner, their obligations arising under this Guaranty. Accordingly, in the event any payment or distribution is made on any date by a Guarantor (a "**Funding Guarantor**") under this Guaranty such that its Aggregate Payments exceeds its Fair Share as of such date, such Funding Guarantor shall be entitled to a contribution from each of the other Contributing Guarantors in an amount sufficient to cause each Contributing Guarantor's Aggregate Payments to equal its Fair Share as of such date. "**Fair Share**" means, with respect to a Contributing Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the Fair Share Contribution Amount with respect to such Contributing Guarantor to (ii) the aggregate of the Fair Share Contribution Amounts with respect to all Contributing Guarantors multiplied by (b) the aggregate amount paid or distributed on or before such date by all Funding Guarantors under this Guaranty in respect of the obligations guaranteed. "**Fair Share Contribution Amount**" means, with respect to a Contributing Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such Contributing Guarantor under this Guaranty that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law; provided, solely for purposes of calculating the "**Fair Share Contribution Amount**" with respect to any Contributing Guarantor for purposes of this Section 7.2, any assets or liabilities of such Contributing Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such Contributing Guarantor. "**Aggregate Payments**" means, with respect to a Contributing Guarantor as of any date of determination, an amount equal to (1) the aggregate amount of all payments and distributions made on or before such date by such Contributing Guarantor in respect of this Guaranty (including in respect of this Section 7.2), minus (2) the aggregate amount of all payments received on or before such date by such Contributing

Guarantor from the other Contributing Guarantors as contributions under this Section 7.2. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Funding Guarantor. The allocation among Contributing Guarantors of their obligations as set forth in this Section 7.2 shall not be construed in any way to limit the liability of any Contributing Guarantor hereunder. Each Guarantor is a third party beneficiary to the contribution agreement set forth in this Section 7.2.

7.3. Payment by Guarantors. Subject to Section 7.2, Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right which any Beneficiary may have at law or in equity against any Guarantor by virtue hereof, that upon the failure of Borrower to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), Guarantors will upon demand pay, or cause to be paid, in Cash, to Administrative Agent for the ratable benefit of Beneficiaries, an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for Borrower's becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against Borrower for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to Beneficiaries as aforesaid.

7.4. Liability of Guarantors Absolute. Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations (other than contingent or indemnification obligations for which no claim has been made) or valid release of a Guarantor in accordance with the Credit Documents. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability. This Guaranty is a primary obligation of each Guarantor and not merely a contract of surety;

(b) Administrative Agent may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between Borrower and any Beneficiary with respect to the existence of such Event of Default;

(c) the obligations of each Guarantor hereunder are independent of the obligations of Borrower and the obligations of any other guarantor (including any other Guarantor) of the obligations of Borrower, and a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against Borrower or any of such other guarantors and whether or not Borrower is joined in any such action or actions;

(d) payment by any Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge any Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid. Without limiting the generality of the foregoing, if Administrative Agent is awarded a judgment in any suit brought to enforce any Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release such Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit, and such judgment shall not, except to the extent satisfied by such Guarantor, limit, affect, modify or abridge any other Guarantor's liability hereunder in respect of the Guaranteed Obligations;

(e) any Beneficiary, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations; (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or of the Guaranteed Obligations; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person (including any other Guarantor) with respect to the Guaranteed Obligations; (v) enforce and apply any security now or hereafter held by or for the benefit of such Beneficiary in respect hereof or of the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that such Beneficiary may have against any such security, in each case as such Beneficiary in its discretion may determine consistent herewith or with the applicable Hedge Agreement and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any other Credit Party or any security for the Guaranteed Obligations; and (vi) exercise any other rights available to it under the Credit Documents or any Hedge Agreements; and

(f) this Guaranty and the obligations of Guarantors hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not any Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Credit Documents or any Hedge Agreements, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to events of default) hereof, of any of the other Credit Documents, of any of the Hedge Agreements or of any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, in each case whether or not in accordance with the terms hereof or of such Credit Document, of such Hedge Agreement or of any agreement relating to such other guaranty or security; (iii) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source (other than payments received pursuant to the other Credit Documents or any of the Hedge Agreements or from the proceeds of any security for the Guaranteed Obligations, except to the extent such security also serves as collateral for indebtedness other than the Guaranteed Obligations) to the payment of indebtedness other than the Guaranteed Obligations, even though any Beneficiary might have elected to apply such payment to any part or all of the Guaranteed Obligations; (v) any Beneficiary's consent to the change, reorganization or termination of the corporate structure or existence of Holdings or any of its Subsidiaries and to any corresponding restructuring of the Guaranteed Obligations; (vi) any failure to perfect or continue perfection of a security interest in any collateral which secures any of the Guaranteed Obligations; (vii) any defenses, set-offs or counterclaims which Borrower may allege or assert against any Beneficiary in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; and (viii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of any Guarantor as an obligor in respect of the Guaranteed Obligations.

7.5. Waivers by Guarantors. Each Guarantor hereby waives, to the extent permitted by applicable law, for the benefit of Beneficiaries: (a) any right to require any Beneficiary, as a condition of payment or performance by such Guarantor, to (i) proceed against Borrower, any other guarantor (including any other Guarantor) of the Guaranteed Obligations or any other Person, (ii) proceed against or exhaust any security held from Borrower, any such other guarantor or any other Person, (iii) proceed against or have resort to any balance of any Deposit Account or credit on the books of any Beneficiary in favor of any Credit Party or any other Person or (iv) pursue any other remedy in the power of any Beneficiary whatsoever; (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of Borrower or any other Guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Borrower or any other Guarantor from any cause other than payment in full of the Guaranteed Obligations; (c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (d) any defense based upon any Beneficiary's errors or omissions in the administration of the Guaranteed Obligations, except behavior which amounts to bad faith; (e) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of such Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that any Beneficiary protect, secure, perfect or insure any security interest or lien or any property subject thereto; (f) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, under the Hedge Agreements or under any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to Borrower and notices of any of the matters referred to in Section 7.4 and any right to consent to any thereof; and (g) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

7.6. Guarantors' Rights of Subrogation, Contribution, Etc. Until the Guaranteed Obligations (other than contingent or indemnification obligations for which no claim has been made) shall have been indefeasibly paid in full, each Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against Borrower or any other Guarantor or any of its assets in connection with this Guaranty or the performance by such Guarantor of its obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including (a) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter have against Borrower with respect to the Guaranteed Obligations, (b) any right to enforce, or to participate in, any claim, right or remedy that any Beneficiary now has or may hereafter have against Borrower and (c) any benefit of, and any right to participate in, any collateral or security now or hereafter held by any Beneficiary. In addition, until the Guaranteed Obligations (other than contingent or indemnification obligations for which no claim has been made) shall have been indefeasibly paid in full, each Guarantor shall withhold exercise of any right of contribution such Guarantor may have against any other guarantor (including any other Guarantor) of the Guaranteed Obligations, including any such right of contribution as contemplated by Section 7.2. Each Guarantor further agrees that, to the extent the waiver or agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification such Guarantor may have against Borrower or against any collateral or security, and any rights of contribution such Guarantor may have against any such other guarantor, shall be junior and subordinate to any rights any Beneficiary may have against Borrower, to all right, title and interest any Beneficiary may have in any such collateral or security, and to any right any Beneficiary may have against such other guarantor. If any amount shall be paid to any Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Guaranteed Obligations shall not have been finally and indefeasibly paid in full, such amount shall be held in trust for Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof.

7.7. Subordination of Other Obligations. Any Indebtedness of Borrower or any Guarantor now or hereafter held by any Guarantor (the "**Obligee Guarantor**") is hereby subordinated in right of payment to the Guaranteed Obligations, and any such Indebtedness collected or received by the Obligee Guarantor after an Event of Default has occurred and is continuing shall be held in trust for Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of the Obligee Guarantor under any other provision hereof; provided that so long as (a) no Event of Default pursuant to Sections 8.1(a), 8.1(f) or 8.1(g) has occurred and is continuing and (b) the Secured Parties have not commenced an exercise of remedies, Borrower shall continue to be permitted to make Restricted Payments in accordance with Section 6.3(b)(12).

7.8. Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations (other than contingent or indemnification obligations for which no claim has been made) shall have been paid in full. Each Guarantor hereby irrevocably waives, to the extent permitted by applicable law, any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

7.9. Authority of Guarantors or Borrower. It is not necessary for any Beneficiary to inquire into the capacity or powers of any Guarantor or Borrower or the officers, directors or any agents acting or purporting to act on behalf of any of them.

7.10. Financial Condition of Borrower. Any Loan may be made to Borrower or continued from time to time, and any Hedge Agreements may be entered into from time to time, in each case without notice to or authorization from any Guarantor regardless of the financial or other condition of Borrower at the time of any such grant or continuation or at the time such Hedge Agreement is entered into, as the case may be. No Beneficiary shall have any obligation to disclose or discuss with any Guarantor its assessment, or any Guarantor's assessment, of the financial condition of Borrower. Each Guarantor has adequate means to obtain information from Borrower on a continuing basis concerning the financial condition of Borrower and its ability to perform its obligations under the Credit Documents and the Hedge Agreements, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of Borrower and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Each Guarantor hereby waives and relinquishes, to the extent permitted by applicable law, any duty on the part of any Beneficiary to disclose any matter, fact or thing relating to the business, operations or conditions of Borrower now known or hereafter known by any Beneficiary.

7.11. Bankruptcy, Etc. (%3) So long as any Guaranteed Obligations remain outstanding (other than contingent or indemnification obligations for which no claim has been made), no Guarantor shall, without the prior written consent of Administrative Agent acting pursuant to the instructions of Requisite Lenders, commence or join with any other Person in commencing any bankruptcy, reorganization or insolvency case or proceeding of or against Borrower or any other Guarantor. The obligations of Guarantors hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any case or proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Borrower or any other Guarantor or by any defense which Borrower or any other Guarantor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(a) Each Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of Guarantors and Beneficiaries that the Guaranteed Obligations which are guaranteed by Guarantors pursuant hereto should be determined without regard to any rule of law or order which may relieve Borrower of any portion of such Guaranteed Obligations. Guarantors will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar Person to pay Administrative Agent, or allow the claim of Administrative Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

(b) In the event that all or any portion of the Guaranteed Obligations are paid by Borrower, the obligations of Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from any Beneficiary as a preference, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Guaranteed Obligations for all purposes hereunder.

7.12. Discharge of Guaranty Upon Sale of Guarantor. If (A) all of the Equity Interests of any Guarantor or any of its successors in interest hereunder shall be sold or otherwise disposed of (including by merger or consolidation) in accordance with the terms and conditions hereof or (B) a Guarantor is designated as an Unrestricted Subsidiary in accordance with Section 5.13, then in the case of clauses (A) and (B), the Guaranty of such Guarantor or such successor in interest, as the case may be, hereunder shall automatically be discharged and released without any further action by any Beneficiary or any other Person effective as of the time of such sale or other disposition.

7.13. Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Credit Party to honor all of its obligations under this Guaranty in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 7.13 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 7.13, or otherwise under this Guaranty, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 7.13 shall remain in full force and effect until all of the Guaranteed Obligations (other than contingent or indemnification obligations for which no claim has been made) have been paid in full. Each Qualified ECP Guarantor intends that this Section 7.13 constitute, and this Section 7.13 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

SECTION 8. EVENTS OF DEFAULT

8.1. Events of Default. If any one or more of the following conditions or events shall occur:

(a) Failure to Make Payments When Due. Failure by Borrower to pay (i) when due any installment of principal of any Loan, whether at stated maturity, by acceleration, by notice of voluntary prepayment, by mandatory prepayment or otherwise; or (ii) any interest on any Loan or any fee or any other amount due hereunder, in each case of this clause (ii) or with respect to voluntary prepayments of principal, within five Business Days after the date due; or

(b) Default in Other Agreements. (i) Failure of any Credit Party or any of their respective Subsidiaries (other than Immaterial Subsidiaries) to pay when due any principal of or interest on or any other amount, including any payment in settlement, payable in respect of one or more items of Indebtedness (other than Indebtedness referred to in Section 8.1(a)) with an aggregate principal amount (or Net Mark-to-Market Exposure) of $50,000,000 or more, in each case beyond the grace period, if any, provided therefor; or (ii) breach or default by any Credit Party with respect to any other material term of (1) one or more items of Indebtedness in the individual or aggregate principal amounts (or Net Mark-to-Market Exposure) referred to in clause (i) above or (2) any loan agreement, mortgage, indenture or other agreement relating to such item(s) of Indebtedness, in each case beyond the grace period, if any, provided therefor, if the effect of such breach or default is to cause, or to permit the holder or holders of that Indebtedness (or a trustee on behalf of such holder or holders), to cause, that Indebtedness to become or be declared due and payable (or subject to a compulsory repurchase or redemption) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be; or (iii) breach or default by any Credit Party with respect to, or termination of, any Material Contracts, to the extent such breach, default or termination could reasonably be expected to result in a Material Adverse Effect; or

(c) Breach of Certain Covenants. Failure of any Credit Party to perform or comply with any term or condition contained in Section 2.3, 5.1(q), 5.2, 5.18 or 6; or

(d) Breach of Representations, Etc. (i) Any representation or warranty made by any Credit Party in Section 4.1, 4.3, 4.4, 4.17, 4.18, 4.22 or 4.25 of this Agreement shall be false in any material respect as of the date made or (ii) any other representation or warranty made by any Credit Party under any Credit Document shall be false in any material respect as of the date made; provided, however, that if (A) the fact, event or circumstance resulting in such false or incorrect representation or warranty is capable of being cured, corrected or otherwise remedied, and (B) such fact, event or circumstance resulting in such false or incorrect representation or warranty shall have been cured, corrected or otherwise remedied within 30 days (or if such incorrect representation or warranty is not susceptible to cure within 30 days, and such Credit Party is proceeding with diligence and in good faith to cure such default and such default is susceptible to cure, such 30-day period shall be extended as may be necessary to cure such incorrect representation or warranty, such extended period not to exceed 60 days in the aggregate (inclusive of the original 30-day period)) from the date an Authorized Officer of Holdings has knowledge thereof; or

(e) Other Defaults Under Credit Documents. Any Credit Party shall default in the performance of or compliance with any term contained herein or in any of the other Credit Documents, other than any such term referred to in any other paragraph of this Section 8.1, and such default shall not have been remedied or waived within 30 days after the earlier of (i) an officer of such Credit Party becoming aware of such default or (ii) receipt by Borrower of notice from Administrative Agent or any Lender of such default; or

(f) Involuntary Bankruptcy; Appointment of Receiver, Etc. (i) A court of competent jurisdiction shall enter a decree or order for relief in respect of Holdings or any of its Subsidiaries (other than Immaterial Subsidiaries) in an involuntary case under any Debtor Relief Laws now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against Holdings or any of its Subsidiaries (other than Immaterial Subsidiaries) under any Debtor Relief Laws now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over Holdings or any of its Subsidiaries (other than Immaterial Subsidiaries), or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of Holdings or any of its Subsidiaries (other than Immaterial Subsidiaries) for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of Holdings or any of its Subsidiaries (other than Immaterial Subsidiaries), and any such event described in this clause (ii) shall continue for 60 days without having been dismissed, bonded or discharged; or

(g) Voluntary Bankruptcy; Appointment of Receiver, Etc. (i) Holdings or any of its Subsidiaries (other than Immaterial Subsidiaries) shall have an order for relief entered with respect to it or shall commence a voluntary case under any Debtor Relief Laws now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or Holdings or any of its Subsidiaries (other than Immaterial Subsidiaries) shall make any assignment for the benefit of creditors; or (ii) Holdings or any of its Subsidiaries (other than Immaterial Subsidiaries) shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the Member of Holdings or the board of directors (or similar governing body) of any of its Subsidiaries (other than Immaterial Subsidiaries) (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 8.1(f); or

(h) Judgments and Attachments. At any time there shall exist money judgments, writs or warrants of attachment or similar process involving in the aggregate an amount in excess of $50,000,000 (to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has acknowledged coverage) entered or filed against Holdings or any of its Subsidiaries (other than Immaterial Subsidiaries) or any of their respective assets and such money judgments, writs or warrants of attachment or similar process remain undischarged, unvacated, unbonded or unstayed for a period of 60 days; or

(i) Dissolution. Any order, judgment or decree shall be entered against any Credit Party decreeing the dissolution or split up of such Credit Party and such order shall remain undischarged or unstayed for a period in excess of 30 days; or

(j) Employee Benefit Plans. (i) There shall occur one or more ERISA Events which individually or in the aggregate, results in or would reasonably be expected to result in liability of Borrower, any of the Guarantors or any of their respective ERISA Affiliates in excess of \$50,000,000 during the term hereof; or (ii) there exists any fact or circumstance that reasonably could be expected to result in the imposition of a Lien or security interest pursuant to Section 430 (k) of the Internal Revenue Code or Section 4068 of ERISA upon the property and rights to property belonging to the Borrower, any of the Guarantors or any of their respective ERISA Affiliates; or

(k) Change of Control. A Change of Control shall occur; or

(l) Guaranties, Collateral Documents and other Credit Documents. At any time after the execution and delivery thereof, (i) the Guaranty for any reason, other than the satisfaction in full of all Obligations (other than contingent and indemnification obligations for which no claim has been made), shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void or any Guarantor shall repudiate its obligations thereunder; (ii) this Agreement or any Collateral Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full of the Obligations in accordance with the terms hereof) or shall be declared null and void, or Collateral Agent shall not have or shall cease to have a valid and perfected Lien in any material portion of the Collateral (for the avoidance of doubt, any pledge of Equity Interests shall constitute a material portion of the Collateral) purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document, in each case for any reason other than the failure of Collateral Agent or any Secured Party to take any action within its control; or (iii) any Credit Party shall contest the validity or enforceability of any Credit Document in writing or deny in writing that it has any further liability, including with respect to future advances by Lenders, under any Credit Document to which it is a party or shall contest the validity or perfection of any Lien in any Collateral purported to be covered by the Collateral Documents.

THEN, (1) upon the occurrence of any Event of Default described in Sections 8.1(f) or 8.1(g), automatically, and (2) upon the occurrence and during the continuance of any other Event of Default, at the request of (or with the consent of) Requisite Lenders, upon notice to Borrower by Administrative Agent, (A) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each Credit Party: (I) the unpaid principal amount of and accrued interest and premium on the Loans, and (II) all other Obligations; and (B) Administrative Agent may cause Collateral Agent to enforce any and all Liens and security interests created pursuant to the Collateral Documents.

SECTION 9. AGENTS

9.1. Appointment of Agents. Each of Citi, Morgan Stanley, Barclays, MLPFS, GS Bank, and Macquarie Capital is hereby appointed a Bookrunnner hereunder and each Lender hereby authorizes each of Citi, Morgan Stanley, Barclays, MLPFS, GS Bank, and Macquarie Capital to act as a Bookrunner in accordance with the terms hereof and of the other Credit Documents. UBSS is hereby appointed Co-Manager hereunder and each Lender hereby authorizes UBSS to act as Co-Manager in accordance with the terms hereof and of the other Credit Documents. Citi is hereby appointed Administrative Agent and Collateral Agent hereunder and under the other Credit Documents and each Lender hereby authorizes Citi to act as Administrative Agent and Collateral

Agent in accordance with the terms hereof and of the other Credit Documents. Each Agent hereby agrees to act in its capacity as such upon the express conditions contained herein and in the other Credit Documents, as applicable. The provisions of this Section 9 are solely for the benefit of Agents, Lenders and Lender Counterparties and no Credit Party shall have any rights as a third party beneficiary of any of the provisions thereof. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Borrower or any of its Subsidiaries. Each of the Co-Manager, any Bookrunner and any Agent described in clause (v) of the definition thereof may resign from such role at any time, with immediate effect, by giving prior written notice thereof to Administrative Agent and Borrower.

9.2. Powers and Duties. Each Lender irrevocably authorizes each Agent to take such action on such Lender's behalf and to exercise such powers, rights and remedies hereunder and under the other Credit Documents as are specifically delegated or granted to such Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. Each Agent shall have only those duties and responsibilities that are expressly specified herein and in the other Credit Documents. Each Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. No Agent shall have, by reason hereof or of any of the other Credit Documents, a fiduciary relationship in respect of any Lender or any other Person; and nothing herein or in any of the other Credit Documents, expressed or implied, is intended to or shall be so construed as to impose upon any Agent any obligations in respect hereof or of any of the other Credit Documents except as expressly set forth herein or therein.

9.3. General Immunity.

(a) <u>No Responsibility for Certain Matters</u>. No Agent shall be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or of any other Credit Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by any Agent to Lenders or by or on behalf of any Credit Party to any Agent or any Lender in connection with the Credit Documents and the transactions contemplated thereby or for the financial condition or business affairs of any Credit Party or any other Person liable for the payment of any Obligations, nor shall any Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Credit Documents or as to the use of the proceeds of the Loans or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. Anything contained herein to the contrary notwithstanding, Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Loans or the component amounts thereof.

(b) <u>Exculpatory Provisions</u>. No Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders for any action taken or omitted by any Agent under or in connection with any of the Credit Documents except to the extent caused by such Agent's gross negligence or willful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction. Each Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or with any of the other Credit Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until such Agent shall have received instructions in respect thereof from Requisite Lenders (or such other Lenders as may be required to give such instructions under Section 10.5) and, upon receipt of such instructions from Requisite Lenders (or such other Lenders, as the case may be), such Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions, including, for the avoidance of doubt, refraining from any action that, in its opinion or the opinion of its counsel, may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law. Without prejudice to the generality of the foregoing, (i) each Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Holdings and its Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against any Agent as a result of such Agent acting or (where so instructed) refraining from acting hereunder or under any of the other Credit Documents in accordance with the instructions of Requisite Lenders (or such other Lenders as may be required to give such instructions under Section 10.5).

(c) Delegation of Duties. Administrative Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Credit Document by or through any one or more sub-agents appointed by Administrative Agent. Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory, indemnification and other provisions of this Section 9.3 and of Section 9.6 shall apply to any the Affiliates of Administrative Agent and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Section 9.3 and of Section 9.6 shall apply to any such sub-agent and to the Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were named herein. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by Administrative Agent, (i) such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory rights and rights to indemnification) and shall have all of the rights and benefits of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of Credit Parties and the Lenders, (ii) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) shall not be modified or amended without the consent of such sub-agent, and (iii) such sub-agent shall only have obligations to Administrative Agent and not to any Credit Party, Lender or any other Person and no Credit Party, Lender or any other Person shall have any rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub-agent.

9.4. Agents Entitled to Act as Lender. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Lender hereunder. With respect to its participation in the Loans, each Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as if it were not performing the duties and functions delegated to it hereunder, and the term "Lender" shall, unless the context clearly otherwise indicates, include each Agent in its individual capacity. Any Agent and its Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with Holdings or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from Borrower for services in connection herewith and otherwise without having to account for the same to Lenders.

9.5. Lenders' Representations, Warranties and Acknowledgment.

(a) Each Lender represents and warrants that it has made its own independent investigation of the financial condition and affairs of Holdings and its Subsidiaries in connection with Loans hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of Holdings and its Subsidiaries. No Agent shall have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Lenders or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter, and no Agent shall have any responsibility with respect to the accuracy of or the completeness of any information provided to Lenders.

(b) Each Lender, by delivering its signature page to this Agreement or an Assignment Agreement and funding its Loan on the Closing Date shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be approved by any Agent, Requisite Lenders or Lenders, as applicable on the Closing Date.

9.6. Right to Indemnity. Each Lender, in proportion to its Pro Rata Share, severally agrees to indemnify each Agent, to the extent that such Agent shall not have been reimbursed by any Credit Party, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against such Agent in exercising its powers, rights and remedies or performing its duties hereunder or under the other Credit Documents or otherwise in its capacity as such Agent in any way relating to or arising out of this Agreement or the other Credit Documents; provided, no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction. If any indemnity furnished to any Agent for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; provided in no event shall this sentence require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's Pro Rata Share thereof; and provided, further, this sentence shall not be deemed to require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement described in the proviso in the immediately preceding sentence.

9.7. Successor Administrative Agent and Collateral Agent.

(a) Administrative Agent shall have the right to resign at any time by giving prior written notice thereof to Lenders and Borrower, and Administrative Agent may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to Borrower and Administrative Agent and signed by Requisite Lenders. Administrative Agent shall have the right to appoint a financial institution to act as Administrative Agent and/or Collateral Agent hereunder, subject to the reasonable satisfaction of Borrower and the Requisite Lenders, and Administrative Agent's resignation shall become effective on the earliest of (i) 30 days after delivery of the notice of resignation (regardless of whether a successor has been appointed or not), (ii) the acceptance of such successor Administrative Agent by Borrower and the Requisite Lenders or (iii) such other date, if any, agreed to by the Requisite Lenders. Upon any such notice of resignation or any such removal, if a successor Administrative Agent has not already been appointed by the retiring Administrative Agent, Requisite Lenders shall have the right, upon five Business Days' notice to Borrower, to appoint a successor Administrative Agent. If neither Requisite Lenders nor Administrative Agent have appointed a successor Administrative Agent, Requisite Lenders shall be deemed to have succeeded to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; provided that, until a successor Administrative Agent is so appointed by Requisite Lenders or Administrative Agent, any collateral security held by Administrative Agent in its role as Collateral Agent on behalf of the Lenders under any of the Credit Documents shall continue to be held by the retiring Collateral Agent as nominee until such time as a successor Collateral Agent is appointed. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Administrative Agent and the retiring or removed Administrative Agent shall promptly (i) transfer to such successor Administrative Agent all sums, Securities and other items of Collateral held under the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent under the Credit Documents, and (ii) execute and deliver to such successor Administrative Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Administrative Agent of the security interests created under the Collateral Documents, whereupon such retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder. Except as provided above, any resignation or removal of Citi or its successor as Administrative Agent pursuant to this Section 9.7 shall also constitute the resignation or removal of Citi or its successor as Collateral Agent. After any retiring or removed Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent hereunder. Any successor Administrative Agent appointed pursuant to this Section 9.7 shall, upon its acceptance of such appointment, become the successor Collateral Agent for all purposes hereunder.

(b) In addition to the foregoing, Collateral Agent may resign at any time by giving prior written notice thereof to Lenders and the Grantors, and Collateral Agent may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to the Grantors and Collateral Agent signed by Requisite Lenders. Administrative Agent shall have the right to appoint a financial institution as Collateral Agent hereunder, subject to the reasonable satisfaction of Borrower and the Requisite Lenders and Collateral Agent's resignation shall become effective on the earliest of (i) 30 days after delivery of the notice of resignation, (ii) the acceptance of such successor Collateral Agent by Borrower and the Requisite Lenders or (iii) such other date, if any, agreed to by the Requisite Lenders. Upon any such notice of resignation or any such removal, Requisite Lenders shall have the right, upon five Business Days' notice to Administrative Agent and with the consent of Borrower (such consent not to be unreasonably withheld or delayed), to appoint a successor Collateral Agent. Until a successor Collateral Agent is so appointed by Requisite Lenders or Administrative Agent, any collateral security held by Collateral Agent on behalf of the Lenders under any of the Credit Documents shall continue to be held by the retiring Collateral Agent as nominee until such time as a successor Collateral Agent is appointed. Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Collateral Agent under this Agreement and the Collateral Documents, and the retiring or removed Collateral Agent under this Agreement shall promptly (i) transfer to such successor Collateral Agent all sums, Securities and other items of Collateral held hereunder or under the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Agreement and the Collateral Documents, and (ii) execute and deliver to such successor Collateral Agent or otherwise authorize the filing of such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the security interests created under the Collateral Documents, whereupon such retiring or removed Collateral Agent shall be discharged from its duties and obligations under this Agreement and the Collateral Documents. After any retiring or removed Collateral Agent's resignation or removal hereunder as the Collateral Agent, the provisions of this Agreement and the Collateral Documents shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement or the Collateral Documents while it was the Collateral Agent hereunder.

9.8. Collateral Documents and Guaranty.

(a) Agents under Collateral Documents and Guaranty. Each Secured Party hereby further authorizes Administrative Agent or Collateral Agent, as applicable, on behalf of and for the benefit of Secured Parties, to be the agent for and representative of Secured Parties with respect to the Guaranty, the Collateral and the Collateral Documents; provided that neither Administrative Agent nor Collateral Agent shall owe any fiduciary duty, duty of loyalty, duty of care, duty of disclosure or any other obligation whatsoever to any holder of Obligations with respect to any Hedge Agreement. Subject to Section 10.5, without further written consent or authorization from any Secured Party, Administrative Agent or Collateral Agent, as applicable, may execute any documents or instruments necessary to (i) in connection with a sale or disposition of assets permitted by this Agreement, release any Lien encumbering any item of Collateral that is the subject of such sale or other disposition of assets or to which Requisite Lenders (or such other Lenders as may be required to give such consent under Section 10.5) have otherwise consented or (ii) release any Guarantor from the Guaranty pursuant to Section 7.12 or with respect to which Requisite Lenders (or such other Lenders as may be required to give such consent under Section 10.5) have otherwise consented.

(b) Right to Realize on Collateral and Enforce Guaranty. Anything contained in any of the Credit Documents to the contrary notwithstanding, Borrower, Administrative Agent, Collateral Agent and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty, it being understood and agreed that all powers, rights and remedies hereunder and under any of the Credit Documents may be exercised solely by Administrative Agent or Collateral Agent, as applicable, for the benefit of the Secured Parties in accordance with the terms hereof and thereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by Collateral Agent for the benefit of the Secured Parties in accordance with the terms thereof, and (ii) in the event of a foreclosure or similar enforcement action by Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition (including, without limitation, pursuant to Section 363(k), Section 1129(b)(2)(a)(ii) or otherwise of the Bankruptcy Code), Collateral Agent (or any Lender, except with respect to a "credit bid" pursuant to Section 363(k), Section 1129(b)(2)(a)(ii) or otherwise of the Bankruptcy Code) may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and Collateral Agent, as agent for and representative of Secured Parties (but not any Lender or Lenders in its or their respective individual capacities) shall be entitled, upon instructions from Requisite Lenders and for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale or disposition, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by Collateral Agent at such sale or other disposition.

(c) Rights under Hedge Agreements. No Hedge Agreement will create (or be deemed to create) in favor of any Lender Counterparty that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Guarantor under the Credit Documents except as expressly provided in Section 10.5(c)(i) of this Agreement and Section 10 of the Pledge and Security Agreement. By accepting the benefits of the Collateral, such Lender Counterparty shall be deemed to have appointed Collateral Agent as its agent and agreed to be bound by the Credit Documents as a Secured Party, subject to the limitations set forth in this clause (c).

(d) Release of Collateral and Guarantees, Termination of Credit Documents. Notwithstanding anything to the contrary contained herein or in any other Credit Document, when all Obligations (other than contingent or indemnification obligations for which no claim has been made and obligations in respect of any Hedge Agreement) have been paid in full and all Commitments have terminated or expired, upon request of Borrower, Collateral Agent and Administrative Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Hedge Agreement) each take such actions as shall be required to release its security interest in all Collateral, and to release all guarantee obligations provided for in any Credit Document, whether or not on the date of such release there may be outstanding Obligations in respect of Hedge Agreements. Any such release of guarantee obligations shall be deemed subject to the provision that such guarantee obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made.

(e) Notwithstanding anything to the contrary contained herein or any other Credit Document, in connection with a sale or disposition of property permitted by this Agreement, upon request of Borrower, Collateral Agent and Administrative Agent shall each (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Hedge Agreement) take such actions as shall be required to release its security interest in such property.

(f) The Collateral Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Collateral Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

9.9. Withholding Taxes. To the extent required by any applicable law, Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any other Governmental Authority asserts a claim that Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender because the appropriate form was not delivered or was not properly executed or because such Lender failed to notify Administrative Agent of a change in circumstance which rendered the exemption from, or reduction of, withholding Tax ineffective or for any other reason, or if Administrative Agent reasonably determines that a payment was made to a Lender pursuant to this Agreement without deduction of applicable withholding tax from such payment, such Lender shall indemnify Administrative Agent fully for all amounts paid, directly or indirectly, by Administrative Agent as Tax or otherwise, including any penalties or interest and together with all expenses (including legal expenses, allocated internal costs and out-of-pocket expenses) incurred. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Credit Document against any amount due the Administrative Agent under this Section 9.9. The agreements in this Section 9.9 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

9.10. Administrative Agent May File Bankruptcy Disclosure and Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Laws relative to any Credit Party, Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Administrative Agent shall have made any demand on Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file a verified statement pursuant to rule 2019 of the Federal Rules of Bankruptcy Procedure that, in its sole opinion, complies with such rule's disclosure requirements for entities representing more than one creditor;

(b) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of Administrative Agent and its respective agents and counsel and all other amounts due Administrative Agent under Sections 2.8, 10.2 and 10.3 allowed in such judicial proceeding); and

(c) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Administrative Agent and its agents and counsel, and any other amounts due Administrative Agent under Sections 2.8, 10.2 and 10.3. To the extent that the payment of any such compensation, expenses, disbursements and advances of Administrative Agent, its agents and counsel, and any other amounts due Administrative Agent under Sections 2.8, 10.2 and 10.3 out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Lenders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise.

Nothing contained herein shall be deemed to authorize Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

SECTION 10. MISCELLANEOUS

10.1. Notices.

(a) Notices Generally. Any notice or other communication herein required or permitted to be given to a Credit Party, Manager, Collateral Agent or Administrative Agent, shall be sent to such Person's address as set forth on Appendix B or in the other relevant Credit Document, and in the case of any Lender, the address as indicated on Appendix B or otherwise indicated to Administrative Agent in writing. Except as otherwise set forth in paragraph (b) below, each notice hereunder shall be in writing and may be personally served or sent by telefacsimile (except for any notices sent to Administrative Agent) or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed; provided that no notice to any Agent shall be effective until received by such Agent; provided, further, any such notice or other communication shall at the request of Administrative Agent be provided to any sub-agent appointed pursuant to Section 9.3(c) as designated by Administrative Agent from time to time.

(b) Electronic Communications.

(i) Notices and other communications to any Agent and Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites, including the Platform) pursuant to procedures approved by Administrative Agent, provided that the foregoing shall not apply to notices to any Agent or any Lender pursuant to Section 2 if such Person has notified Administrative Agent that it is incapable of receiving notices under such Section by electronic communication. Administrative Agent or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. Unless Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(ii) Each Credit Party understands that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution and agrees and assumes the risks associated with such electronic distribution, except to the extent caused by the willful misconduct or gross negligence of Administrative Agent, as determined by a final, non-appealable judgment of a court of competent jurisdiction.

(iii) The Platform and any Approved Electronic Communications are provided "as is" and "as available". None of the Agents or any of their respective officers, directors, employees, agents, advisors or representatives (the "**Agent Affiliates**") warrants the accuracy, adequacy or completeness of the Approved Electronic Communications or the Platform and each expressly disclaims liability for errors or omissions in the Platform and the Approved Electronic Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects is made by the Agent Affiliates in connection with the Platform or the Approved Electronic Communications.

(iv) Each Credit Party, each Lender and each Agent agrees that Administrative Agent may, but shall not be obligated to, store any Approved Electronic Communications on the Platform in accordance with Administrative Agent's customary document retention procedures and policies.

(v) Any notice of Default or Event of Default may be provided by telephone if confirmed promptly thereafter by delivery of written notice thereof.

(c) Private Side Information Contacts. Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable law, including United States federal and state securities laws, to make reference to information that is not made available through the "Public Side Information" portion of the Platform and that may contain Non-Public Information with respect to Holdings, its Subsidiaries or their securities for purposes of United States federal or state securities laws. In the event that any Public Lender has determined for itself to not access any information disclosed through the Platform or otherwise, such Public Lender acknowledges that (i) other Lenders may have availed themselves of such information and (ii) neither Borrower nor Administrative Agent has any responsibility for such Public Lender's decision to limit the scope of the information it has obtained in connection with this Agreement and the other Credit Documents.

10.2. Expenses. Whether or not the transactions contemplated hereby shall be consummated, and, except as may be agreed separately in writing, Borrower agrees to pay promptly (a) all the actual and reasonable costs and expenses incurred in connection with the negotiation, preparation and execution of the Credit Documents and any consents, amendments, waivers or other modifications thereto; (b) all the actual and reasonable costs of furnishing all opinions by counsel for Borrower and the other Credit Parties; (c) the reasonable fees, expenses and disbursements of counsel to Agents in connection with the negotiation, preparation, execution and administration of the Credit Documents and any consents, amendments, waivers or other modifications thereto and any other documents or matters requested by Borrower; (d) all the actual costs and reasonable expenses of creating, perfecting, recording, maintaining and preserving Liens in favor of Collateral Agent, for the benefit of Secured Parties, including filing and recording fees, expenses and taxes, stamp or documentary taxes, search fees, title insurance premiums and reasonable fees, expenses and disbursements of counsel to each Agent and of counsel providing any opinions that any Agent or Requisite Lenders may reasonably request in respect of the Collateral or the Liens created pursuant to the Collateral Documents; (e) all the actual costs and reasonable fees, expenses and disbursements of any auditors, accountants, consultants or appraisers; (f) all the actual costs and reasonable expenses (including the reasonable fees, expenses and disbursements of any appraisers, consultants, advisors and agents employed or retained by Collateral Agent and its counsel) in connection with the custody or preservation of any of the Collateral; (g) all other actual and reasonable costs and expenses incurred by each Agent in connection with the syndication of the Loans and Commitments and the transactions contemplated by the Credit Documents and any consents, amendments, waivers or other modifications thereto and (h) after the occurrence of a Default or an Event of Default, all costs and expenses, including reasonable attorneys' fees and costs of settlement, incurred by any Agent and Lenders in enforcing any Obligations of or in collecting any payments due from any Credit Party hereunder or under the other Credit Documents by reason of such Default or Event of Default (including in connection with the sale, lease or license of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty) or in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work-out" or pursuant to any insolvency or bankruptcy cases or proceedings.

10.3. Indemnity.

(a) In addition to the payment of expenses pursuant to Section 10.2, whether or not the transactions contemplated hereby shall be consummated, each Credit Party agrees to defend (subject to Indemnitees' selection of counsel), indemnify, pay and hold harmless, each Agent and Lender and each of their respective officers, partners, members, directors, trustees, advisors, employees, agents, sub-agents and affiliates (each, an "**Indemnitee**"), from and against any and all Indemnified Liabilities; provided no Credit Party shall have any obligation to any Indemnitee hereunder with respect to any Indemnified Liabilities to the extent such Indemnified Liabilities arise from the gross negligence or willful misconduct of such Indemnitee or from a material breach of the funding obligations of such Indemnitee, in each case, as determined by a final, non-appealable judgment of a court of competent jurisdiction. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section 10.3 may be unenforceable in whole or in part because they are violative of any law or public policy, the applicable Credit Party shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Indemnitees or any of them.

(b) To the extent permitted by applicable law, no Credit Party shall assert, and each Credit Party hereby waives, any claim against each Lender, each Agent and their respective Affiliates, directors, employees, attorneys, agents or sub-agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any Credit Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and Holdings and Borrower hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

(c) Each Credit Party also agrees that no Lender or Agent nor any of their respective Affiliates, directors, employees, attorneys, agents or sub-agents will have any liability to any Credit Party or any person asserting claims on behalf of or in right of any Credit Party or any other person in connection with or as a result of this Agreement or any Credit Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, in each case, except in the case of any Credit Party to the extent that any losses, claims, damages, liabilities or expenses incurred by such Credit Party or its affiliates, shareholders, partners or other equity holders have been found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, willful misconduct or material breach of the funding obligations of such Lender, Agent or their respective Affiliates, directors, employees, attorneys, agents or sub-agents in performing its obligations under this Agreement or any Credit Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein; provided, however, that in no event will such Lender, Agent, or their respective Affiliates, directors, employees, attorneys, agents or sub-agents have any liability for any indirect, consequential, special or punitive damages in connection with or as a result of such Lender's, Agent's or their respective Affiliates', directors', employees', attorneys', agents' or sub-agents' activities related to this Agreement or any Credit Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein.

10.4. Set‑Off. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence of any Event of Default each Lender is hereby authorized by each Credit Party at any time or from time to time, subject to the consent of Administrative Agent (such consent not to be unreasonably withheld or delayed), without notice to any Credit Party or to any other Person (other than Administrative Agent), any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, including Indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other Indebtedness at any time held or owing by such Lender to or for the credit or the account of any Credit Party against and on account of the obligations and liabilities of any Credit Party to such Lender hereunder, including all claims of any nature or description arising out of or connected hereto or with any other Credit Document, irrespective of whether or not (a) such Lender shall have made any demand hereunder or (b) the principal of or the interest on the Loans or any other amounts due hereunder shall have become due and payable pursuant to Section 2 and although such obligations and liabilities, or any of them, may be contingent or unmatured; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to Administrative Agent for further application in accordance with the provisions of Sections 2.14 and 2.19 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section 10.4 are in addition to other rights and remedies (including other rights of setoff) that such Lender or its Affiliates may have.

10.5. Amendments and Waivers.

(a) Requisite Lenders' Consent. Subject to the additional requirements of Sections 10.5(b) and 10.5(c), no amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall in any event be effective without the written concurrence of Requisite Lenders; provided that Administrative Agent may, with the consent of Borrower only, amend, modify or supplement this Agreement or any other Credit Document to cure any ambiguity, omission, defect or inconsistency (as reasonably determined by Administrative Agent), so long as such amendment, modification or supplement does not adversely affect the rights of any Lender or the Lenders shall have received at least five Business Days' prior written notice thereof and Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Requisite Lenders stating that the Requisite Lenders object to such amendment.

(b) Affected Lenders' Consent. Without the written consent of each Lender that would be directly affected thereby, no amendment, modification, termination, or consent shall be effective if the effect thereof would:

(i) increase the Commitment of any Lender;

(ii) extend the scheduled final maturity of any Loan or Note;

(iii) other than pursuant to Section 2.22, waive, reduce or postpone any scheduled repayment (but not prepayment);

(iv) reduce the rate of interest on any Loan (other than any waiver of any increase in the interest rate applicable to any Loan pursuant to Section 2.7) or any fee or any premium payable hereunder;

(v) extend the time for payment of any such interest, fees or premium;

(vi) reduce the principal amount of any Loan;

(vii) amend, modify, terminate or waive any provision of this Section 10.5 (b), Section 10.5(c) or any other provision of this Agreement that expressly provides that the consent of all Lenders is required;

(viii) amend, modify, terminate or waive Section 2.2(a) or Section 2.14 or amend the definition of "Requisite Lenders" or "Pro Rata Share"; provided, with the consent of Requisite Lenders, additional extensions of credit pursuant hereto may be included in the determination of "Requisite Lenders" or "Pro Rata Share" on substantially the same basis as the Commitments and the Loans are included on the Closing Date;

(ix) release all or substantially all of the Collateral or all or substantially all of the Guarantors from the Guaranty except as expressly provided in the Credit Documents and except in connection with a "credit bid" undertaken by the Collateral Agent at the direction of the Requisite Lenders pursuant to Section 363(k), Section 1129(b)(2)(a)(ii) or otherwise of the Bankruptcy Code or other sale or disposition of assets in connection with an enforcement action with respect to the Collateral permitted pursuant to the Credit Documents (in which case only the consent of the Requisite Lenders will be needed for such release);

(x) consent to the assignment or transfer by any Credit Party of any of its rights and obligations under any Credit Document; or

(xi) amend, modify or waive any provision of Section 9.2 of the Pledge and Security Agreement.

provided that, for the avoidance of doubt, all Lenders shall be deemed directly affected thereby with respect to any amendment described in clauses (viii), (ix) and (x).

(c) Other Consents. No amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall:

(i) amend, modify or waive this Agreement or the Pledge and Security Agreement so as to alter the ratable treatment of Obligations arising under the Credit Documents and Obligations arising under Hedge Agreements or the definition of "Excluded Hedge Obligations," "Lender Counterparty," "Hedge Agreement," "Obligations," "Qualified ECP Guarantor," "REC Hedge," "Secured Obligations" or "Swap Obligations" (as defined in any applicable Collateral Document) in each case in a manner adverse to any Lender Counterparty with Obligations then outstanding without the written consent of any such Lender Counterparty; or

(ii) amend, modify, terminate or waive any provision of the Credit Documents as the same applies to any Agent or Arranger, or any other provision hereof as the same applies to the rights or obligations of any Agent or Arranger, in each case without the consent of such Agent or Arranger, as applicable.

(d) Execution of Amendments, Etc. Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 10.5 shall be binding upon each Lender at the time outstanding, each future Lender and, if signed by a Credit Party, on such Credit Party. Any such amendments, modifications, waivers or consents shall be executed by (i) Borrower, (ii) Administrative Agent, and (iii) each Lender and any other party to this Agreement to the extent expressly required pursuant to Sections 10.5(a), (b) or (c), as applicable.

10.6. Successors and Assigns; Participations.

(a) Generally. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of Lenders. No Credit Party's rights or obligations hereunder nor any interest therein may be assigned or delegated by any Credit Party without the prior written consent of all Lenders. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, Affiliates of each of the Agents and Lenders and other Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Register. Borrower, Administrative Agent and Lenders shall deem and treat the Persons listed as Lenders in the Register as the holders and owners of the corresponding Commitments and Loans listed therein for all purposes hereof, and no assignment or transfer of any such Commitment or Loan shall be effective, in each case, unless and until recorded in the Register following receipt of a fully executed Assignment Agreement effecting the assignment or transfer thereof, together with the required forms and certificates regarding tax matters and any fees payable in connection with such assignment, in each case, as provided in Section 10.6(d). Each assignment shall be recorded in the Register promptly following receipt by Administrative Agent of the fully executed Assignment Agreement and all other necessary documents and approvals, prompt notice thereof shall be provided to Borrower and a copy of such Assignment Agreement shall be maintained, as applicable. The date of such recordation of a transfer shall be referred to herein as the "**Assignment Effective Date.**" Any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is listed in the Register as a Lender shall be conclusive and binding on any subsequent holder, assignee or transferee of the corresponding Commitments or Loans.

(c) Right to Assign. Each Lender shall have the right at any time to sell, assign or transfer all or a portion of its rights and obligations under this Agreement, including all or a portion of its Commitment or Loans owing to it or other Obligations (provided, however, that pro rata assignments shall not be required and each assignment shall be of a uniform, and not varying, percentage of all rights and obligations under and in respect of any applicable Loan and any related Commitments):

(i) to any Person meeting the criteria of clause (i) of the definition of the term "Eligible Assignee" upon the giving of notice to Borrower and Administrative Agent; and

(ii) to any Person meeting the criteria of clause (ii) of the definition of the term "Eligible Assignee" with the consent (except in the case of assignments of Loans made by or to the Arrangers) of Administrative Agent (such consent not to be unreasonably withheld or delayed) provided, further, that each such assignment pursuant to this Section 10.6(c)(ii) shall be in an aggregate amount of not less than (w) $1,000,000, (x) such lesser amount as agreed to by Borrower (so long as no Event of Default has occurred that is then continuing) and Administrative Agent, (y) the aggregate amount of the Loans of the assigning Lender or (z) the amount assigned by an assigning Lender to (1) an Affiliate or Related Fund of such Lender or (2) another Lender.

(d) Mechanics.

(i) Assignments and assumptions of Loans and Commitments by Lenders shall be effected by manual execution and delivery to Administrative Agent of an Assignment Agreement. Assignments made pursuant to the foregoing provision shall be effective as of the Assignment Effective Date. In connection with all assignments there shall be delivered to Administrative Agent such forms, certificates or other evidence, if any, with respect to United States federal income tax withholding matters as the assignee under such Assignment Agreement may be required to deliver pursuant to Section 2.17(c), together with payment to Administrative Agent of a registration and processing fee of $3,500 (except that no such registration and processing fee shall be payable (y) in connection with an assignment by or to Administrative Agent or any Affiliate thereof or (z) in the case of an assignee which is already a Lender or is an affiliate or Related Fund of a Lender or a Person under common management with a Lender). Notwithstanding anything herein to the contrary, the Administrative Agent shall have no responsibility for monitoring or enforcing the prohibition on assignments to Ineligible Institutions set forth in this Agreement.

(ii) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of Borrower and Administrative Agent, the applicable Pro Rata Share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to Administrative Agent and each other Lender, hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full Pro Rata Share of all Loans. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(e) Representations and Warranties of Assignee. Each Lender, upon execution and delivery hereof or upon succeeding to an interest in the Commitments and Loans, as the case may be, represents and warrants as of the Closing Date or as of the Assignment Effective Date that (i) it is an Eligible Assignee; (ii) it has experience and expertise in the making of or investing in commitments or loans such as the applicable Commitments or Loans, as the case may be; (iii) it will make or invest in, as the case may be, its Commitments or Loans for its own account in the ordinary course and without a view to distribution of such Commitments or Loans within the meaning of the Securities Act or the Exchange Act or other federal securities laws (it being understood that, subject to the provisions of this Section 10.6, the disposition of such Commitments or Loans or any interests therein shall at all times remain within its exclusive control); and (iv) it will not provide any information obtained by it in its capacity as a Lender to Borrower or any Affiliate of Borrower.

(f) Effect of Assignment. Subject to the terms and conditions of this Section 10.6, as of the Assignment Effective Date (i) the assignee thereunder shall have the rights and obligations of a "Lender" hereunder to the extent of its interest in the Loans and Commitments as reflected in the Register and shall thereafter be a party hereto and a "Lender" for all purposes hereof; (ii) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned to the assignee, relinquish its rights (other than any rights which survive the termination hereof under Section 10.8) and be released from its obligations hereunder (and, in the case of an assignment covering all or the remaining portion of an assigning Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto on the Assignment Effective Date; provided, anything contained in any of the Credit Documents to the contrary notwithstanding, such assigning Lender shall continue to be entitled to the benefit of all indemnities hereunder as specified herein with respect to matters arising out of the prior involvement of such assigning Lender as a Lender hereunder); and (iii) if any such assignment occurs after the issuance of any Note hereunder, the assigning Lender shall, upon the effectiveness of such assignment or as promptly thereafter as practicable, surrender its applicable Notes to Administrative Agent for cancellation, and thereupon Borrower shall issue and deliver new Notes, if so requested by the assignee and/or assigning Lender, to such assignee and/or to such assigning Lender, with outstanding Loans of the assignee and/or the assigning Lender.

(g) Participations.

(i) Each Lender shall have the right at any time to sell one or more participations to any Person (other than an Ineligible Institution (solely to the extent the list of Ineligible Institutions has been made available to all Lenders), Holdings, any of its Subsidiaries or any of its Affiliates) in all or any part of its Commitments, Loans or in any other Obligation. Each Lender that sells a participation pursuant to this Section 10.6(g) shall, acting solely for U.S. federal income tax purposes as a non-fiduciary agent of Borrower, maintain a register on which it records the name and address of each participant and the principal amounts of each participant's participation interest with respect to the Loan (each, a "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any participant or any information relating to a participant's interest in any Commitments, Loans or its other obligations under this Agreement) except to the extent that the relevant parties, acting reasonably and in good faith, determine that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.103-1 (c) of the United States Treasury Regulations. Unless otherwise required by the Internal Revenue Service, any disclosure required by the foregoing sentence shall be made by the relevant Lender directly and solely to the Internal Revenue Service. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of a participation with respect to the Loan for all purposes under this Agreement, notwithstanding any notice to the contrary.

(ii) The holder of any such participation, other than an Affiliate of the Lender granting such participation, shall not be entitled to require such Lender to take or omit to take any action hereunder except with respect to any amendment, modification or waiver that would (A) extend the final scheduled maturity of any Loan or Note in which such participant is participating, or reduce the rate or extend the time of payment of interest or fees thereon (except in connection with a waiver of applicability of any post-default increase in interest rates) or reduce the principal amount thereof, or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of a mandatory reduction in the Commitment shall not constitute a change in the terms of such participation, and that an increase in any Commitment or Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof), (B) consent to the assignment or transfer by any Credit Party of any of its rights and obligations under this Agreement or (C) release all or substantially all of the Collateral under the Collateral Documents or all or substantially all of the Guarantors from the Guaranty (in each case, except as expressly provided in the Credit Documents) supporting the Loans hereunder in which such participant is participating.

(iii) Borrower agrees that each participant shall be entitled to the benefits of Sections 2.15(c), 2.16 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (c) of this Section; provided (x) a participant shall not be entitled to receive any greater payment under Section 2.16 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such participant, unless the sale of the participation to such participant is made with Borrower's prior written consent (not to be unreasonably withheld or delayed) and (y) a participant that would be a Non-U.S. Lender if it were a Lender shall not be entitled to the benefits of Section 2.17 unless it complies with Section 2.17(c) as though it were a Lender (it being understood that any such form required by Section 2.17(c) shall be delivered to the applicable Lender and not the Borrower or Administrative Agent); provided, further, that, except as specifically set forth in clauses (x) and (y) of this sentence, nothing herein shall require any notice to Borrower or any other Person in connection with the sale of any participation. To the extent permitted by law, each participant also shall be entitled to the benefits of Section 10.4 as though it were a Lender, provided such participant agrees to be subject to Section 2.14 as though it were a Lender.

(h) Certain Other Assignments and Participations. In addition to any other assignment or participation permitted pursuant to this Section 10.6 any Lender may assign, pledge and/or grant a security interest in all or any portion of its Loans, the other Obligations owed by or to such Lender, and its Notes, if any, to secure obligations of such Lender including any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors and any operating circular issued by such Federal Reserve Bank; provided that no Lender, as between Borrower and such Lender, shall be relieved of any of its obligations hereunder as a result of any such assignment and pledge; provided, further, that in no event shall the applicable Federal Reserve Bank, pledgee or trustee, be considered to be a "Lender" or be entitled to require the assigning Lender to take or omit to take any action hereunder.

(i) No Assignments or Participations to Ineligible Institutions. Notwithstanding anything to the contrary herein, no assignment may be made or, to the extent the list of Ineligible Institutions has been provided to all Lenders, participation sold to an Ineligible Institution. Notwithstanding anything herein to the contrary, the Administrative Agent shall have no responsibility for monitoring or enforcing the prohibition on the sale of participation to an Ineligible Institutions set forth in this Agreement.

10.7. Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

10.8. Survival of Representations, Warranties and Agreements. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Loan. Notwithstanding anything herein or implied by law to the contrary, the agreements of each Credit Party set forth in Sections 2.15(c), 2.16, 2.17, 10.2, 10.3 and 10.4 and the agreements of Lenders set forth in Sections 2.14, 9.3(b) and 9.6 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, payment of the Loans and the termination hereof.

10.9. No Waiver; Remedies Cumulative. No failure or delay on the part of any Agent or any Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to each Agent and each Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Credit Documents or any of the Hedge Agreements. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

10.10. Marshalling; Payments Set Aside. Neither any Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Credit Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Credit Party makes a payment or payments to Administrative Agent or Lenders (or to Administrative Agent, on behalf of Lenders), or any Agent or Lender enforces any security interests or exercises any right of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

10.11. Severability. In case any provision in or obligation hereunder or under any other Credit Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

10.12. Obligations Several; Independent Nature of Lenders' Rights. The obligations of Lenders hereunder are several and no Lender shall be responsible for the obligations or Commitment of any other Lender hereunder. Nothing contained herein or in any other Credit Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and each Lender shall be entitled to protect and enforce its rights arising out hereof and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

10.13. Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

10.14. APPLICABLE LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF AND ANY DETERMINATIONS WITH RESPECT TO POST-JUDGMENT INTEREST) SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

10.15. CONSENT TO JURISDICTION. SUBJECT TO CLAUSE (E) OF THE FOLLOWING SENTENCE, ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY ARISING OUT OF OR RELATING HERETO OR TO ANY OTHER CREDIT DOCUMENTS, OR ANY OF THE OBLIGATIONS, SHALL BE BROUGHT IN ANY FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN THE BOROUGH OF MANHATTAN OR, IF THAT COURT DOES NOT HAVE SUBJECT MATTER JURISDICTION, IN ANY STATE COURT LOCATED IN THE CITY AND COUNTY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH CREDIT PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (A) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS (OTHER THAN WITH RESPECT TO ACTIONS BY ANY AGENT IN RESPECT OF RIGHTS UNDER ANY SECURITY AGREEMENT GOVERNED BY A LAWS OTHER THAN THE LAWS OF THE STATE OF NEW YORK OR WITH RESPECT TO ANY COLLATERAL SUBJECT THERETO); (B) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (C) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE CREDIT PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 10.1; (D) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (C) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE CREDIT PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (E) AGREES THAT AGENTS AND LENDERS RETAIN THE

RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY CREDIT PARTY IN THE COURTS OF ANY OTHER JURISDICTION IN CONNECTION WITH THE EXERCISE OF ANY RIGHTS UNDER ANY SECURITY DOCUMENT OR THE ENFORCEMENT OF ANY JUDGMENT.

10.16. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER CREDIT DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 10.16 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER CREDIT DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

10.17. Confidentiality. Each Agent and each Lender shall hold all non-public information regarding Borrower and its Subsidiaries, Affiliates and their businesses identified as such by Borrower and obtained by such Agent or such Lender pursuant to the requirements hereof in accordance with such Agent's and such Lender's customary procedures for handling confidential information of such nature, it being understood and agreed by Borrower that, in any event, Administrative Agent may disclose such information to the Lenders and each Agent and each Lender and each Agent may make (i) disclosures of such information to Affiliates of such Lender or Agent and to their respective officers, directors, partners, members, employees, legal counsel, independent auditors and other advisors, experts or agents who need to know such information and on a confidential basis (and to other Persons authorized by a Lender or Agent to organize, present or disseminate such information in connection with disclosures otherwise made in accordance with this Section 10.17), (ii) disclosures of such information reasonably required by any potential or prospective assignee, transferee or participant in connection with the contemplated assignment, transfer or participation of any Loans or any participations therein or by any direct or indirect contractual counterparties (or the professional advisors thereto) to any swap or derivative transaction relating to Borrower and its obligations (provided such assignees, transferees, participants, counterparties and advisors are advised of and agree to be bound by either the provisions of this Section 10.17 or other provisions at least as restrictive as this Section 10.17), (iii) disclosure to any rating agency when required by it, provided that, prior to any disclosure, such rating agency shall undertake in writing to preserve the confidentiality of any confidential information relating to Credit Parties received by it from any Agent or any Lender, (iv) disclosure on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loans, (v) disclosures in connection with the exercise of any remedies hereunder or under any other Credit Document, (vi) disclosures made pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding, or otherwise as required by applicable law or compulsory legal process (in which case such Person agrees to inform Borrower promptly thereof to the extent not prohibited by law) and (vii) disclosures made upon the request or demand of any regulatory, quasi-regulatory or self-regulatory authority purporting to have jurisdiction over such Person or any of its Affiliates. In addition, each Agent and each Lender may disclose the existence of this Agreement and the information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to the Agents and the Lenders in connection with the administration and management of this Agreement and the other Credit Documents. Notwithstanding anything to the contrary set forth herein, each party (and each of their respective employees, representatives or other agents) may disclose to any and all persons without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions and other tax analyses) that are provided to any such party relating to such tax treatment and tax structure. However, any information relating to the tax treatment or tax structure shall remain subject to the confidentiality provisions hereof (and the foregoing sentence shall not apply) to the extent reasonably necessary to enable the parties hereto, their respective Affiliates, and their respective Affiliates' directors and employees to comply with applicable securities laws. For this purpose, "tax structure" means any facts relevant to the U.S. federal income tax treatment of the transactions contemplated by this Agreement but does not include information relating to the identity of any of the parties hereto or any of their respective Affiliates.

10.18. Usury Savings Clause. Notwithstanding any other provision herein, the aggregate interest rate charged with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under applicable law shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, Borrower shall pay to Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lenders and Borrower to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Loans made hereunder or be refunded to Borrower.

10.19. Effectiveness; Counterparts. This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto and receipt by Borrower and Administrative Agent of written notification of such execution and authorization of delivery thereof. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic format (i.e., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

10.20. PATRIOT Act. Each Lender and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Credit Party that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow such Lender or Administrative Agent, as applicable, to identify such Credit Party in accordance with the PATRIOT Act.

10.21. Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

10.22. No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "**Lenders**"), may have economic interests that conflict with those of the Credit Parties, their stockholders and/or their affiliates. Each Credit Party agrees that nothing in the Credit Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Credit Party, its stockholders or its affiliates, on the other. The Credit Parties acknowledge and agree that (i) the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Credit Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Credit Party, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Credit Party, its stockholders or its Affiliates on other matters) or any other obligation to any Credit Party except the obligations expressly set forth in the Credit Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Credit Party, its management, stockholders, creditors or any other Person. Each Credit Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Credit Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Credit Party, in connection with such transaction or the process leading thereto.

10.23. Entire Agreement. All of the Arrangers' obligations and agreements shall terminate and be superseded by the Credit Documents and the Arrangers and their Affiliates shall be released from all liability in connection with any such obligations or agreement, including any claim for injury or damages, whether consequential, special, direct, indirect, punitive or otherwise.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

TERRAFORM PRIVATE OPERATING II, LLC

By:/s/ Rebecca Cranna
Name: Rebecca Cranna
Title: Authorized Representative

TERRAFORM PRIVATE II, LLC

By:/s/ Rebecca Cranna
Name: Rebecca Cranna
Title: Authorized Representative

TERRAFORM UTILITY SOLAR XIX HOLDONGS, LLC

By:/s/ Rebecca Cranna
Name: Rebecca Cranna
Title: Authorized Representative

TERRAFORM IWG ACQUISITION HOLDINGS III, LLC

By:/s/ Rebecca Cranna
Name: Rebecca Cranna

Title: Authorized Representative

TERRAFORM IWG ONTARIO HOLDINGS GRANDPARENT, LLC

By: /s/ Rebecca Cranna
Name: Rebecca Cranna
Title: Authorized Representative

TERRAFORM IWG ACQUISITION ULTIMATE HOLDINGS II, LLC

By: /s/ Rebecca Cranna
Name: Rebecca Cranna
Title: Authorized Representative

CITIBANK, N.A.,
as Administrative Agent, Collateral Agent and a Lender

By: /s/ Sandip Sen
Name: Sandip Sen
Title: Managing Director/Vice President

CITIGROUP GLOBAL MARKETS INC.,
as an Arranger and Bookrunner

By: /s/ Sandip Sen
Name: Sandip Sen
Title: Managing Director/Vice President

MORGAN STANLEY SENIOR FUNDING, INC.,
as an Arranger, Bookrunner and a Lender

By: /s/ Julie Lilienfeld
Name: Julie Lilienfeld
Title: Authorized Signatory

BARCLAYS BANK PLC,
as an Arranger, Bookrunner and a Lender

By: /s/ Vanessa Kurbatskiy
Name: Vanessa Kurbatskiy
Title: Vice President

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
as an Arranger and a Bookrunner

By: /s/ Authorized Signatory
Name: Autorized Signatory
Title: Managing Director

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ JB Meanor II
Name: JB Meanor II
Title: Managing Director

GOLDMAN SACHS BANK USA,
as an Arranger, a Bookrunner and a Lender

By:/s/ Robert Ehudin
Name: Robert Ehudin
Title: Authorized Signatory

MACQUARIE CAPITAL (USA) INC.,
as an Arranger and a Bookrunner

By: /s/ Ayesha Farooqi
Name: Ayesha Farooqi
Title: Managing Director

By: /s/ Michael Barrish
Name: Michael Barrishi
Title: Managing Director

MIHI LLC,
as a Lender

By: /s/ Ayesha Farooqi
Name: Ayesha Farooqi
Title: Authorized Signatory

By: /s/ Michael Barrish
Name: Michael Barrish
Title: Authorized Signatory

UBS SECURITIES, LLC,
as Co-Manager

By: /s/ Darlene Arias
Name: Darlene Arias
Title: Director

By: /s/ Houssem Daly
Name: Houssem Daly
Title: Associate Director

UBS AG, STAMFORD BRANCH,
as a Lender

By: /s/ Darlene Arias
Name: Darlene Arias
Title: Director

By: /s/ Houssem Daly
Name: Houssem Daly
Title: Associate Director

APPENDIX A
TO
CREDIT AND GUARANTY AGREEMENT

Closing Date Commitments

Lender	Loan Commitment	Pro Rata Share
Citibank, N.A.	$100,000,000	20%
Morgan Stanley Senior Funding, Inc.	$100,000,000	20%
Barclays Bank PLC	$100,000,000	20%
Bank of America, N.A.	$50,000,000	10%
Goldman Sachs Bank USA	$50,000,000	10%
MIHI LLC	$50,000,000	10%
UBS AG, Stamford Branch	$50,000,000	10%
Total	**$500,000,000**	**100%**

APPENDIX B
TO CREDIT AND GUARANTY AGREEMENT

Notice Addresses

TERRAFORM PRIVATE II, LLC AND ITS SUBSIDIARIES

TerraForm Private II, LLC
7550 Wisconsin Ave.
Bethesda, MD 20814
Attention: Chief Financial Officer
Attention: General Counsel

with a copy to:

TerraForm Private Operating II, LLC
7550 Wisconsin Ave.
Bethesda, MD 20814
Attention: Chief Financial Officer
Attention: General Counsel

CITIBANK, N.A.,
Administrative Agent's Principal Office and as Lender:

1615 Brett Road
New Castle, Delaware 19720
Attn: TerraForm Private Operating II

Exhibit 21.1

List of Subsidiaries of TerraForm Power, Inc.

Name of Entity	**Jurisdiction of Organization**
TerraForm Power, LLC	Delaware
TerraForm Power Operating, LLC	Delaware
SunEdison Canada Yieldco Master Holdco, LLC	Delaware
SunEdison Canada Yieldco, LLC	Delaware
SunEdison Canada YieldCo Lindsay, LLC	Delaware
SunEdison Marsh Hill, LLC	Delaware
TerraForm Ontario Solar, LLC	Delaware
TerraForm Canada UTL Solar Holdings, Inc.	British Columbia
TerraForm Canada UTL Intermediate GP Inc.	British Columbia
TerraForm Canada UTL Solar Intermediate Holdings LP	Ontario
TerraForm Canada UTL GP Inc.	British Columbia
TerraForm Canada UTL Solar Holdings LP	Ontario
Lindsay Solar GP Inc.	British Columbia
Lindsay Solar LP	Ontario
Marsh Hill III GP, Inc. (f/k/a 2413465 Ontario Inc.)	British Columbia
Marsh Hill III LP	Ontario
TerraForm Ontario Solar Holdings GP Inc.	British Columbia
TerraForm Ontario Solar LP	Ontario
SunEdison Yieldco Chile Master Holdco, LLC	Delaware
SunEdison Yieldco Chile HoldCo, LLC	Delaware
Amanecer Solar Holding SpA	Republic of Chile
Amanecer Solar SpA	Republic of Chile
SunEdison Yieldco ACQ1 Master Holdco, LLC	Delaware
SunEdison Yieldco ACQ1, LLC	Delaware
SunEdison Yieldco DG–VIII Master Holdco, LLC	Delaware
SunEdison Yieldco DG–VIII Holdings, LLC	Delaware
SunEdison PR DG, LLC	Delaware
SunE Solar VIII, LLC	Delaware
SunE WF CRS, LLC	Delaware
SunE Irvine Holdings, LLC	Delaware
SunE HB Holdings, LLC	Delaware
SunEdison Origination2, LLC	Delaware
SunE Solar VIII 2, LLC	Delaware
SunE GIL1, LLC	Delaware
SunE GIL2, LLC	Delaware
SunE GIL3, LLC	Delaware
SunE Gresham WWTP, LLC	Delaware
SunE WF Bellingham, LLC	Delaware
SunE WF Framingham, LLC	Delaware

SunE KHL PSNJ, LLC	Delaware
SunE WF Dedham, LLC	Delaware
SunE DDR PSNJ, LLC	Delaware
SunE W-PR1, LLC	Puerto Rico
SunE WMT PR3, LLC	Puerto Rico
SunE Irvine, LLC	Delaware
SunE HB, LLC	Delaware
SunE OC PSNJ, LLC	Delaware
SunE GIL Holdings, LLC	Delaware
SunE KHL968 Orange, LLC	Delaware
SunE WF10217 West Hartford, LLC	Delaware
SunE KHL1004 Hillsboro, LLC	Delaware
SunEdison Yieldco UK HoldCo 3 Master Holdco, LLC	Delaware
SunEdison Yieldco UK HoldCo 3, LLC	Delaware
Norrington Solar Farm Limited	United Kingdom
SunEdison Yieldco UK HoldCo 4 Master Holdco, LLC	Delaware
SunEdison Yieldco UK HoldCo 4, LLC	Delaware
SunE Green Holdings Germany GmbH	Germany
SunEdison Yieldco UK HoldCo 2 Master Holdco, LLC	Delaware
SunEdison Yieldco UK HoldCo 2, LLC	Delaware
SunEdison Yieldco DG Master Holdco, LLC	Delaware
SunEdison Yieldco DG Holdings, LLC	Delaware
SunE Solar Construction Holdings #2, LLC	Delaware
SunE Solar Construction #2, LLC	Delaware
BWC Origination 2, LLC	Delaware
SunE CREST 1, LLC	Delaware
SunE CREST 2, LLC	Delaware
SunE CREST 5, LLC	Delaware
SunE CREST 6, LLC	Delaware
SunE CREST 7, LLC	Delaware
SunE CRF8, LLC	Delaware
SunE CRF9, LLC	Delaware
SunE CRF10, LLC	Delaware
SunE CRF12, LLC	Delaware
SunE LPT1, LLC	Delaware
SunE RBPC1, LLC	Delaware
SunE RBPC3, LLC	Delaware
SunE RBPC4, LLC	Delaware
SunE RBPC6, LLC	Delaware
SunE RBPC7, LLC	Delaware
SunE Solar Berlin I, LLC	Delaware
SunE Solar XV Holdco, LLC	Delaware
SunE Solar XV Lessor Parent, LLC	Delaware
SunE Solar XV Lessor, LLC	Delaware
SunEdison Yieldco Origination Holdings, LLC	Delaware

Belchertown Solar, LLC	Delaware
BWC Origination 12, LLC	Delaware
SunE Hubbardston Solar, LLC	Delaware
SunE Solar Mattapoisett I, LLC	Delaware
SunEdison DG14 Holdings, LLC	Delaware
SunEdison JJ Gurabo, LLC	Puerto Rico
Tioga Solar La Paz, LLC	Delaware
Treasure Valley Solar, LLC	Delaware
SunEdison Yieldco Nellis Master Holdco, LLC	Delaware
SunEdison Yieldco Nellis HoldCo, LLC	Delaware
NAFB LP Holdings, LLC	Delaware
MMA NAFB Power, LLC	Delaware
Solar Star NAFB, LLC	Delaware
SunEdison Yieldco Regulus Master Holdco, LLC	Delaware
SunEdison Yieldco Regulus Holdings, LLC	Delaware
SunE Regulus Managing Member, LLC	Delaware
SunE Regulus Equity Holdings, LLC	Delaware
SunE Regulus Holdings, LLC	Delaware
Regulus Solar, LLC	Delaware
SunEdison Yieldco ACQ2 Master Holdco, LLC	Delaware
SunEdison Yieldco ACQ2, LLC	Delaware
CalRENEW-1, LLC	Delaware
SunEdison Yieldco ACQ3 Master Holdco, LLC	Delaware
SunEdison Yieldco ACQ3, LLC	Delaware
SunE Alamosa1 Holdings, LLC	Delaware
SunE Alamosa1, LLC	Delaware
OL’s SunE Alamosa1 Trust	Delaware
SunEdison Yieldco ACQ9 Master Holdco, LLC	Delaware
SunEdison Yieldco ACQ9, LLC	Delaware
Atwell Island Holdings, LLC	Delaware
SPS Atwell Island, LLC	Delaware
SunEdison Yieldco ACQ4 Master Holdco, LLC	Delaware
SunEdison Yieldco ACQ4, LLC	Delaware
Yieldco SunEY US Holdco, LLC	Delaware
Green Cove Management, LLC	Florida
SunEY Solar Dev Co, LLC	Delaware
SunEY Solar Funding II, LLC	Delaware
SunEY Solar Funding IV, LLC	Delaware
SS San Antonio West, LLC	California
SunEY Solar Gibbstown, LLC	Delaware
SunEY Solar I, LLC	Delaware
SunEY Solar Liberty, LLC	Delaware
SunEY Solar Ocean City One, LLC	Delaware
SunEY Solar St. Joseph’s LLC	Delaware
SunEY Solar Lindenwold BOE, LLC	Delaware

SunEY Solar Ocean City Two, LLC	Delaware
SunEY Solar Power I, LLC	Delaware
SunEY Sequoia I, LLC	Delaware
SunEY Solar Power II, LLC	Delaware
SunEY Solar Frederick BOE, LLC	Delaware
SunEY Solar Hazlet BOE, LLC	Delaware
SunEY Solar Medford BOE, LLC	Delaware
SunEY Solar Medford Lakes, LLC	Delaware
SunEY Solar Talbot County, LLC	Delaware
SunEY Solar Wayne BOE, LLC	Delaware
SunEY Solar Power III, LLC	Delaware
Solar PPA Partnership One, LLC	New York
SunEY Solar Cresskill BOE, LLC	Delaware
SunEY Solar KMBS, LLC	Delaware
Waldo Solar Energy Park of Gainesville, LLC	Delaware
SunEY Solar Silvermine, LLC	Delaware
SunEY Solar Solomon Schechter, LLC	Delaware
SunEY Solar SWBOE, LLC	Delaware
SunEY Solar WPU, LLC	Delaware
SunEdison Yieldco ACQ5 Master Holdco, LLC	Delaware
SunEdison Yieldco ACQ5, LLC	Delaware
SunEdison Yieldco Enfinity Master Holdco, LLC	Delaware
SunEdison Yieldco, Enfinity Holdings, LLC	Delaware
Enfinity SPV Holdings 2, LLC	Delaware
Enfinity Holdings WF LLC	Delaware
Enfinity NorCal 1 FAA, LLC	California
Enfinity Arizona 2 Camp Verde USD LLC	Arizona
Enfinity Arizona 3 Winslow USD LLC	Arizona
Enfinity BNB Napoleon Solar, LLC	Delaware
Enfinity CentralVal 5 LUESD LLC	California
SunEdison Yieldco DGS Master Holdco, LLC	Delaware
SunEdison Yieldco, DGS Holdings, LLC	Delaware
SunE DGS Master Tenant, LLC	Delaware
SunE DGS Owner Holdco, LLC	Delaware
SunE Corcoran SP Owner, LLC	Delaware
SunE Solano SP Owner, LLC	Delaware
SunE Wasco SP Owner, LLC	Delaware
SunE Coalinga SH Owner, LLC	Delaware
SunE Pleasant Valley SP Owner, LLC	Delaware
SunEdison Yieldco ACQ7 Master Holdco, LLC	Delaware
SunEdison Yieldco ACQ7, LLC	Delaware
MA Operating Holdings, LLC	Delaware
Fall River Commerce Solar Holdings, LLC	Delaware
Fall River Innovation Solar Holdings, LLC	Delaware
South Street Solar Holdings, LLC	Delaware

Uxbridge Solar Holdings, LLC	Delaware
SunEdison Yieldco ACQ8 Master Holdco, LLC	Delaware
SunEdison Yieldco ACQ8, LLC	Delaware
SunEdison DG Operating Holdings-2, LLC	Delaware
SunEdison Yieldco ACQ6 Master Holdco, LLC	Delaware
SunEdison Yieldco ACQ6, LLC	Delaware
TerraForm Power Solar X Holdings, LLC	Delaware
SunE Solar X, LLC	Delaware
SunE J10 Holdings, LLC	Delaware
SE Solar Trust X, LLC	Delaware
TerraForm Power IVS I Master Holdco, LLC	Delaware
TerraForm Power IVS I Holdings, LLC	Delaware
TerraForm Power IVS I Holdings II, LLC	Delaware
IVS I Services, LLC	Delaware
Imperial Valley Solar 1 Holdings II, LLC	Delaware
Imperial Valley Solar 1 Holdings, LLC	Delaware
Imperial Valley Solar 1 Intermediate Holdings, LLC	Delaware
Imperial Valley Solar 1, LLC	Delaware
TerraForm LPT ACQ Master Holdco, LLC	Delaware
TerraForm LPT ACQ Holdings, LLC	Delaware
TerraForm 2014 LPT II ACQ Holdings, LLC	Delaware
SunE Solar XVI Manager, LLC	Delaware
SunE Solar XVI Holdings, LLC	Delaware
SunE Solar XVI Lessor, LLC	Delaware
TerraForm Solar Master Holdco, LLC	Delaware
TerraForm Solar Holdings, LLC	Delaware
TerraForm Hudson Energy Solar, LLC	Delaware
Hudson USB ITC Managing Member, LLC	Delaware
Hudson USB ITC Managing Member 2, LLC	Delaware
Hudson Solar Macy, LLC	Delaware
Hudson USB ITC Tenant LLC	Delaware
Hudson USB ITC Owner LLC	Delaware
Hudson USB ITC Tenant 2 LLC	Delaware
Hudson USB ITC Owner 2 LLC	Delaware
Hudson Solar Project 1 LLC	Delaware
Hudson Solar Project 2, LLC	Delaware
Hudson Solar Project 3 LLC	Delaware
SunEdison Yieldco DG Master Holdco, LLC	Delaware
SunEdison YieldCo DG Holdings, LLC	Delaware
SunEdison YieldCo Origination Holdings, LLC	Delaware
SunEdison NC Utility, LLC	Delaware
SunEdison NC Utility 2, LLC	Delaware
SunE Dessie Managing Member, LLC	Delaware
SunE Dessie Equity Holdings, LLC	Delaware
Dessie Solar Center, LLC	North Carolina

Bearpond Solar Center, LLC	North Carolina
SunE NC Lessee Managing Member, LLC	Delaware
SunE NC Lessee Holdings, LLC	Delaware
SunE Bearpond Lessee, LLC	Delaware
SunE Shankle Lessee, LLC	Delaware
SunE Graham Lessee, LLC	Delaware
SunE Bearpond Lessor Managing Member, LLC	Delaware
SunE Graham Lessor Managing Member, LLC	Delaware
SunE Shankle Lessor Managing Member, LLC	Delaware
SunE Bearpond Lessor Holdings, LLC	Delaware
SunE Graham Lessor Holdings, LLC	Delaware
Graham Lessor Holdings Corporation	Delaware
SunE Shankle Lessor Holdings, LLC	Delaware
Shankle Lessor Holdings Corporation	Delaware
Shankle Solar Center, LLC	North Carolina
Graham Solar Center, LLC	North Carolina
TerraForm CD ACQ Master Holdco, LLC	Delaware
TerraForm CD ACQ Holdings, LLC	Delaware
TerraForm CD Intermediate Holdings, LLC	Delaware
TerraForm CD Holdings, LLC	Delaware
TerraForm CD Holdings GP, LLC	Delaware
TerraForm CD Holdings Corporation	Delaware
Capital Dynamics US Solar Holdings 1, Inc.	Delaware
Capital Dynamics US Solar Holdings 2, Inc.	Delaware
Capital Dynamics US Solar Holdings 4, Inc.	Delaware
Capital Dynamics US Solar Holdings 5, Inc.	Delaware
Capital Dynamics US Solar Holdings 3, Inc.	Delaware
Capital Dynamics US Solar AIV - A, L.P.	Delaware
Capital Dynamics US Solar AIV - B, L.P.	Delaware
Capital Dynamics US Solar AIV - B, L.P.	Delaware
Capital Dynamics US Solar AIV - C, L.P.	Delaware
Capital Dynamics US Solar AIV - D, L.P.	Delaware
Capital Dynamics US Solar AIV - D, L.P.	Delaware
Capital Dynamics US Solar AIV - E, L.P.	Delaware
Capital Dynamics US Solar AIV - G, L.P.	Delaware
Capital Dynamics US Solar CA-2, LLC	Delaware
Cami Solar, LLC	Nevada
Capital Dynamics US Solar-PA 1, LLC	Delaware
BASD Buchanan Solar LLC	Delaware
BASD East Hills Solar LLC	Delaware
BASD Farmersville Solar LLC	Delaware
BASD Freedom Solar I LLC	Delaware
BASD Solar, LLC	Delaware
BASD Spring Garden Solar LLC	Delaware
CIT Solar, LLC	Delaware
Colonial Solar, LLC	Delaware

Laureldale Solar, LLC	Delaware
Capital Dynamics US Solar MA 1, LLC	Delaware
CD US Solar Sponsor 2, LLC	Delaware
CD US Solar Marketing 2, LLC	Delaware
CD US Solar MT 2, LLC	Delaware
CD US Solar PO 2, LLC	Delaware
CD US Solar Sponsor, LLC	Delaware
CD US Solar Developer, LLC	Delaware
CD US Solar Marketing, LLC	Delaware
CD US Solar MT 1, LLC	Delaware
CD US Solar PO 1, LLC	Delaware
CD US Solar MT 3, LLC	Delaware
CD US Solar PO 3, LLC	Delaware
TerraForm REC ACQ Master Holdco, LLC	Delaware
TerraForm REC ACQ Holdings, LLC	Delaware
TerraForm REC Holdings, LLC	Delaware
TerraForm REC Operating, LLC	Delaware
TerraForm Solar XVII ACQ Master Holdco, LLC	Delaware
TerraForm Solar XVII ACQ Holdings, LLC	Delaware
TerraForm Solar XVII Manager, LLC	Delaware
TerraForm Solar XVII, LLC	Delaware
SunE 29 Palms, LLC	Delaware
SunE CasimirES, LLC	Delaware
SunE DB10, LLC	Delaware
SunE DB11, LLC	Delaware
SunE DB12, LLC	Delaware
SunE DB15, LLC	Delaware
SunE DB17, LLC	Delaware
SunE DB18, LLC	Delaware
SunE DB20, LLC	Delaware
SunE DB24, LLC	Delaware
SunE DB33, LLC	Delaware
SunE DB34, LLC	Delaware
SunE DB36, LLC	Delaware
SunE DG3, LLC	Delaware
SunE DG6, LLC	Delaware
SunE DG12, LLC	Delaware
SunE DG13, LLC	Delaware
SunE DG14, LLC	Delaware
SunE DG15, LLC	Delaware
SunE DG16, LLC	Delaware
SunE DG17, LLC	Delaware
SunE DG18, LLC	Delaware
SunE EshlemanHall, LLC	Delaware
SunE SEM 2, LLC	Delaware

SunE SEM 3, LLC	Delaware
BWC Origination 10, LLC	Delaware
SunE Solar XVII Project1, LLC	Delaware
SunE Solar XVII Project2, LLC	Delaware
SunE Solar XVII Project3, LLC	Delaware
TerraForm First Wind ACQ Master Holdco, LLC	Delaware
TerraForm First Wind ACQ, LLC	Delaware
First Wind Operating Company, LLC	Delaware
Hawaiian Island Holdings, LLC	Delaware
First Wind Kahuku Holdings, LLC	Delaware
Kahuku Holdings, LLC	Delaware
Kahuku Wind Power, LLC	Delaware
Hawaii Holdings, LLC	Delaware
Kaheawa Wind Power II, LLC	Delaware
First Wind HWP Holdings, LLC	Delaware
Hawaii Wind Partners, LLC	Delaware
Hawaii Wind Partners II, LLC	Delaware
Kaheawa Wind Power, LLC	Delaware
First Wind Northeast Company, LLC	Delaware
Northeast Wind Partners II, LLC	Delaware
Northeast Wind Capital Holdings, LLC	Delaware
Northeast Wind Capital II, LLC	Delaware
Maine Wind Partners II, LLC	Delaware
Maine Wind Partners, LLC	Delaware
Evergreen Wind Power, LLC	Delaware
Rollins Holdings, LLC	Delaware
Evergreen Wind Power III, LLC	Delaware
Stetson Wind Holdings Company, LLC	Delaware
Stetson Holdings, LLC	Delaware
Stetson Wind II, LLC	Delaware
Evergreen Gen Lead, LLC	Delaware
First Wind Blue Sky East Holdings, LLC	Delaware
Blue Sky East Holdings, LLC	Delaware
Blue Sky East, LLC	Delaware
Sheffield Wind Holdings, LLC	Delaware
Sheffield Holdings, LLC	Delaware
Vermont Wind, LLC	Delaware
CSSW Cohocton Holdings, LLC	Delaware
New York Wind, LLC	Delaware
Canandaigua Power Partners, LLC	Delaware
Canandaigua Power Partners II, LLC	Delaware
CSSW Steel Winds Holdings, LLC	Delaware
Huron Holdings, LLC	Delaware
Niagara Wind Power, LLC	Delaware
Erie Wind, LLC	Delaware
FW Mass PV Portfolio, LLC	Delaware

FWPV Capital, LLC	Delaware
FWPV Holdings, LLC	Delaware
FWPV, LLC	Delaware
Mass Solar 1 Holdings, LLC	Delaware
Mass Solar 1, LLC	Delaware
Millbury Solar, LLC	Delaware
Mass Midstate Solar 1, LLC	Delaware
Mass Midstate Solar 2, LLC	Delaware
Mass Midstate Solar 3, LLC	Delaware
TerraForm Thor ACQ Master Holdco, LLC	Delaware
TerraForm Thor ACQ Holdings, LLC	Delaware
TerraForm Private Holdings II, LLC	Delaware
TerraForm Private II, LLC	Delaware
TerraForm Private Operating II, LLC	Delaware
FW Panhandle Portfolio II, LLC	Delaware
First Wind Panhandle Holdings II, LLC	Delaware
First Wind South Plains Portfolio, LLC	Delaware
First Wind Texas Holdings II, LLC	Delaware
South Plains Wind Energy, LLC	Delaware
TerraForm IWG Acquisition Holdings, LLC	Delaware
Rattlesnake Wind I Class B Holdings LLC	Delaware
Rattlesnake Wind I Holdings LLC	Delaware
Rattlesnake Wind I LLC	Delaware
TerraForm IWG Acquisition Ultimate Holdings II, LLC	Delaware
TerraForm IWG Acquisition Intermediate Holdings II, LLC	Delaware
TerraForm IWG Acquisition Holdings II Parent, LLC	Delaware
TerraForm IWG Acquisition Holdings II, LLC	Delaware
Bishop Hill Class B Holdings LLC	Delaware
Bishop Hill Holdings LLC	Delaware
Bishop Hill Energy LLC	Delaware
TerraForm IWG Acquisition Holdings III, LLC	Delaware
California Ridge Class B Holdings LLC	Delaware
California Ridge Holdings LLC	Delaware
California Ridge Wind Energy LLC	Delaware
Invenergy Prairie Breeze Holdings LLC	Delaware
Prairie Breeze Class B Holdings LLC	Delaware
Prairie Breeze Holdings LLC	Delaware
Prairie Breeze Wind Energy LLC	Delaware
TerraForm IWG Ontario Holdings Grandparent LLC	Delaware
TerraForm IWG Ontario Holdings Parent, LLC	Delaware
TerraForm IWG Ontario Holdings, LLC	Delaware
TerraForm Utility Solar XIX Holdings, LLC	Delaware
TerraForm Utility Solar XIX Manager, LLC	Delaware
TerraForm Utility Solar XIX, LLC	Delaware
Beryl Solar, LLC	Delaware
Buckhorn Solar, LLC	Delaware

Cedar Valley Solar, LLC	Delaware
Granite Peak Solar, LLC	Delaware
Greenville Solar, LLC	Delaware
LKL BLBD, LLC	Delaware
Laho Solar, LLC	Delaware
Milford Flat Solar, LLC	Delaware
River Mountains Solar, LLC	Delaware
SunE DB APNL, LLC	Delaware
SunEdison Yieldco ACQ10, LLC	Delaware
TerraForm Dairyland Acquisitions, LLC	Delaware
Integrys Solar, LLC	Delaware
Gilbert Solar Facility I, LLC	Delaware
INDU Solar Holdings, LLC	Delaware
Berkley East Solar LLC	Delaware
ISH Solar AZ, LLC	Delaware
ISH Solar Beach, LLC	Delaware
ISH Solar CA, LLC	Delaware
ISH Solar Central, LLC	Delaware
ISH Solar Hospitals, LLC	Delaware
ISH Solar Mouth, LLC	Delaware
SEC BESD Solar One, LLC	Delaware
SEC Bellefonte SD Solar One, LLC	Delaware
Sterling Solar LLC	Delaware
Solar Hold 2008 – 1, LLC	Delaware
Integrys NJ Solar, LLC	Delaware
Solar Star California II, LLC	Delaware
Soltage – ADC 630 Jamesburg, LLC	Delaware
Soltage – MAZ 700 Tinton Falls, LLC	Delaware
Soltage – PLG 500 Milford, LLC	Delaware
Solar Star New Jersey VI, LLC	Delaware
TerraForm Energy Services Holdings, LLC	Delaware
TerraForm US Energy Services, LLC	Delaware
TerraForm Canada Energy Services, Inc.	British Columbia
TerraForm Italy LDV Holdings, LLC	Delaware
TerraForm Japan Holdco, LLC	Delaware
TerraForm Japan Holdco GK	Japan
TerraForm Power Holdings B.V.	Netherlands
TerraForm Power Finance B.V.	Netherlands
TerraForm PR Holdings 1, LLC	Delaware
TerraForm Solar IX Holdings, LLC	Delaware
SunE B9 Holdings, LLC	Delaware
TerraForm Solar XVIII ACQ Holdings, LLC	Delaware
TerraForm Solar XVIII Manager, LLC	Delaware
TerraForm Solar XVIII, LLC	Delaware
SunE DB3, LLC	Delaware
SunE DB8, LLC	Delaware

SunE DB27, LLC	Delaware
SunE DB42, LLC	Delaware
SunE DB43, LLC	Delaware
SunE DB44, LLC	Delaware
SunE DB45, LLC	Delaware
SunE DG1, LLC	Delaware
SunE DG2, LLC	Delaware
SunE DG8, LLC	Delaware
SunE DG25, LLC	Delaware
SunE IM Pflugerville, LLC	Delaware
SunE HARD Mission Hills, LLC	Delaware
SunE HH Blue Mountain, LLC	Delaware
SunE HH Buchanan, LLC	Delaware
SunE HH Frank Lindsey, LLC	Delaware
SunE HH Furnace Woods, LLC	Delaware
SunE HH Hudson High, LLC	Delaware
Oak Leaf Solar V LLC	Delaware
Water Street Solar 1, LLC	Delaware
TerraForm MP Holdings, LLC	Delaware
TerraForm MP Solar, LLC	Delaware
TerraForm Ontario Solar Holdings, LLC	Delaware
TerraForm KWP Investor Holdings, LLC	Delaware
KWP Upwind Holdings LLC	Delaware

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Peter Blackmore, Interim Chief Executive Officer, Director and Chairman, certify that:

1 I have reviewed this annual report on Form 10-K of TerraForm Power, Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision; to ensure that material information relating to the registrant, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 21, 2017

By:	/s/ PETER BLACKMORE
Name:	**Peter Blackmore**
Title:	**Interim Chief Executive Officer, Director and Chairman** **(Principal executive officer)**

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Rebecca Cranna, Executive Vice President and Chief Financial Officer, certify that:

1 I have reviewed this annual report on Form 10-K of TerraForm Power, Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision; to ensure that material information relating to the registrant, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 21, 2017

By:	/s/ REBECCA CRANNA
Name:	**Rebecca Cranna**
Title:	**Executive Vice President and Chief Financial Officer** **(Principal financial officer and principal accounting officer)**

Exhibit 32

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of TerraForm Power, Inc. (the “Company”) on Form 10-K for the period ending December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Peter Blackmore, Interim Chief Executive Officer, Director and Chairman of the Company, and Rebecca Cranna, Executive Vice President and Chief Financial Officer of the Company, certify, to the best of our knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1 The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2 The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 21, 2017

By:	/s/ PETER BLACKMORE
Name:	**Peter Blackmore**
Title:	**Interim Chief Executive Officer, Director and Chairman**
	(Principal executive officer)

Date: July 21, 2017

By:	/s/ REBECCA CRANNA
Name:	**Rebecca Cranna**
Title:	**Executive Vice President and Chief Financial Officer**
	(Principal financial officer and principal accounting officer)