



# 2015 CAPITAL MARKETS DAY

February 24, 2015



# Safe Harbor

With the exception of historical information, certain matters disclosed in this presentation are forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Potential risks and uncertainties are described in the filings of SunEdison, Inc. and TerraForm Power, Inc. (the “Companies”) with the Securities and Exchange Commission (SEC), including SunEdison Inc.’s most recent report on Form 10-K, TerraForm Power, Inc.’s registration statement for its initial public offering and secondary offering, and each Company’s reports on Forms 10-Q and 8-K, in addition to the risks and uncertainties described on page 3 of this presentation. These forward-looking statements represent the Companies’ judgment as of the date of this presentation and the Companies disclaim any intent or obligation to update these forward-looking statements. You can find these materials posted in the Investor Relations portion of each Company’s web site at [www.SunEdison.com](http://www.SunEdison.com) and [www.TerraForm.com](http://www.TerraForm.com).

# Forward-Looking Statements

This report contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, including the timing of the completion of the acquisition, and typically can be identified by the use of words such as “expect,” “estimate,” “anticipate,” “forecast,” “intend,” “project,” “target,” “plan,” “believe” and similar terms and expressions. Certain matters discussed in this presentation and conference call are forward-looking statements, including that SunEdison expects; total energy systems (solar and wind) completed to be between 2,100 MW and 2,300 MW in 2015, between 2,800 MW and 3,000 MW in 2016 and between 3,800 MW and 4,000 MW in 2017; third party sales to be between 75 MW and 90 MW in Q1 2015 and between 260 MW and 300 MW in 2015; retained MWs between 145 MW and 160 MW in Q1 2015 and between 1,840 MW and 2,000 MW in 2015; total unlevered annualized CAFD for retained MW between 22 MW and 26 MW in Q1 2015 and between 275 MW and 325 MW in 2015. TerraForm expects total dividends to be \$1.30 per shares in 2015, at year end 2015 the CAFD run rate to be \$214M, the 2015 EBITDA to be \$360M and includes dividend per share estimates based on a 24% CAGR growth rate. The forward-looking statements contained in this presentation represent the SunEdison and TerraForm's judgment as of the date of this presentation and are based on current expectations and assumptions. Although SunEdison and TerraForm believe that their expectations and assumptions are reasonable, they can give no assurance that these expectations and assumptions will prove to be correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, among others: the failure of counterparties to fulfill their obligations under off-take agreements; price fluctuations, termination provisions and buyout provisions in offtake agreements; delays or unexpected costs during the completion of projects under construction; TerraForm Power, Inc.'s ability to successfully identify, evaluate and consummate acquisitions from SunEdison, Inc. or third parties, including the acquisition of the wind generating projects; government regulation; operating and financial restrictions under agreements governing indebtedness; SunEdison and TerraForm's ability to borrow additional funds and access capital markets; SunEdison and TerraForm's ability to compete against traditional and renewable energy companies; and hazards customary to the power production industry and power generation operations, such as unusual weather conditions and outages. Furthermore, any dividends are subject to available capital, market conditions and compliance with associated laws and regulations. SunEdison and TerraForm undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause SunEdison and TerraForm's actual results to differ materially from those contemplated in the forward-looking statements included in this report should be considered in connection with information regarding risks and uncertainties that may affect SunEdison and TerraForm's future results included in SunEdison and TerraForm's filings with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov).

# Executive Summary

## Business Model

- Structure
- Virtuous Cycle

## Opportunity

- Major Global Power Trends
- Growing Addressable Markets
- Massive CAFD

## Position

- Unmatched Execution
- Value Chain Control
- Comprehensive Solution Provider
- Scale to Compete

## Asset Ownership

- Operational Excellence
- Momentum Building

## Value Creation

- Development Accelerating
- Business Model Review
- Dividends and IDRs
- Outlook

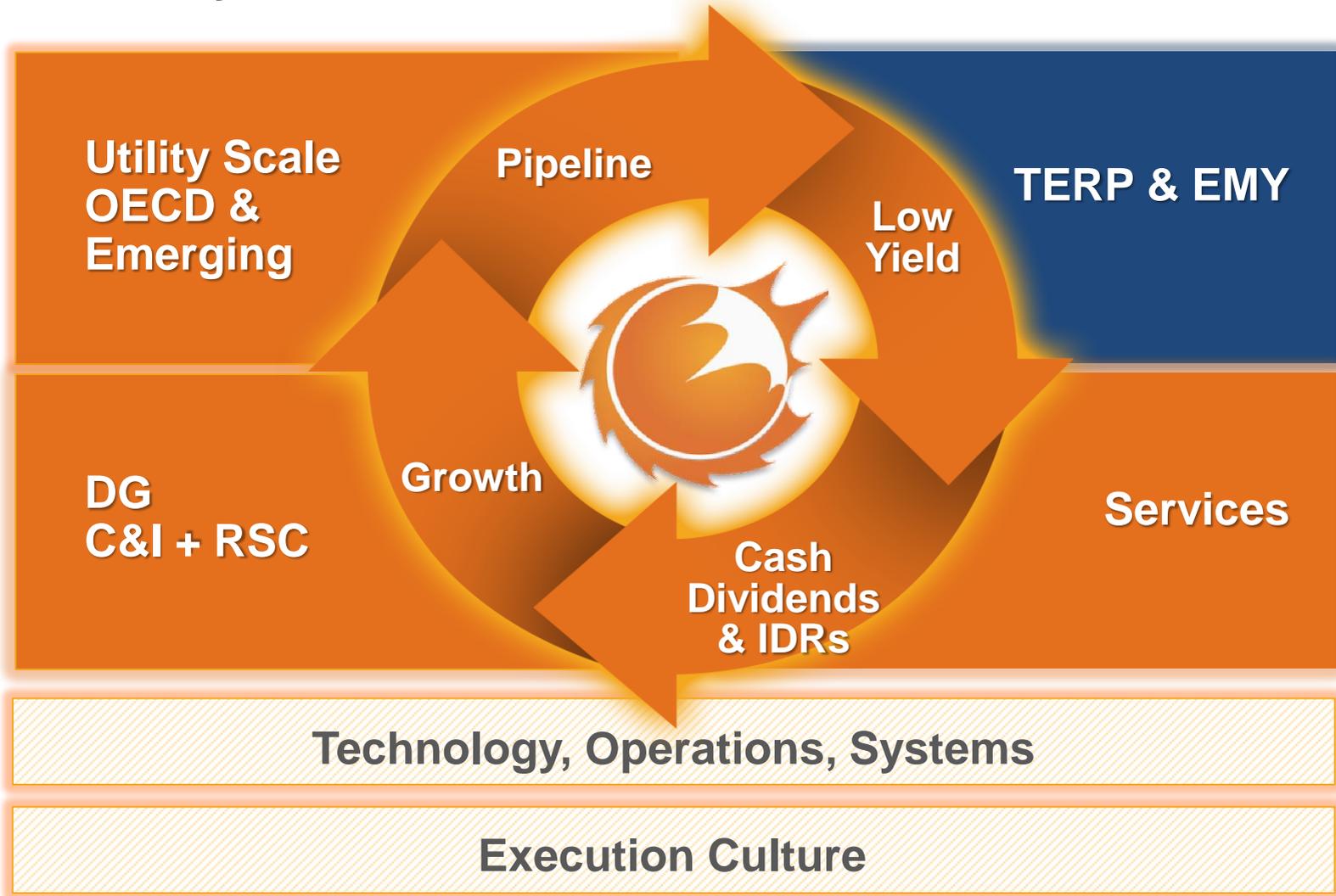


# BUSINESS MODEL

Ahmad Chatila



# SunEdison Platform: Virtuous Cycle of Value Creation and GP-Like Structure

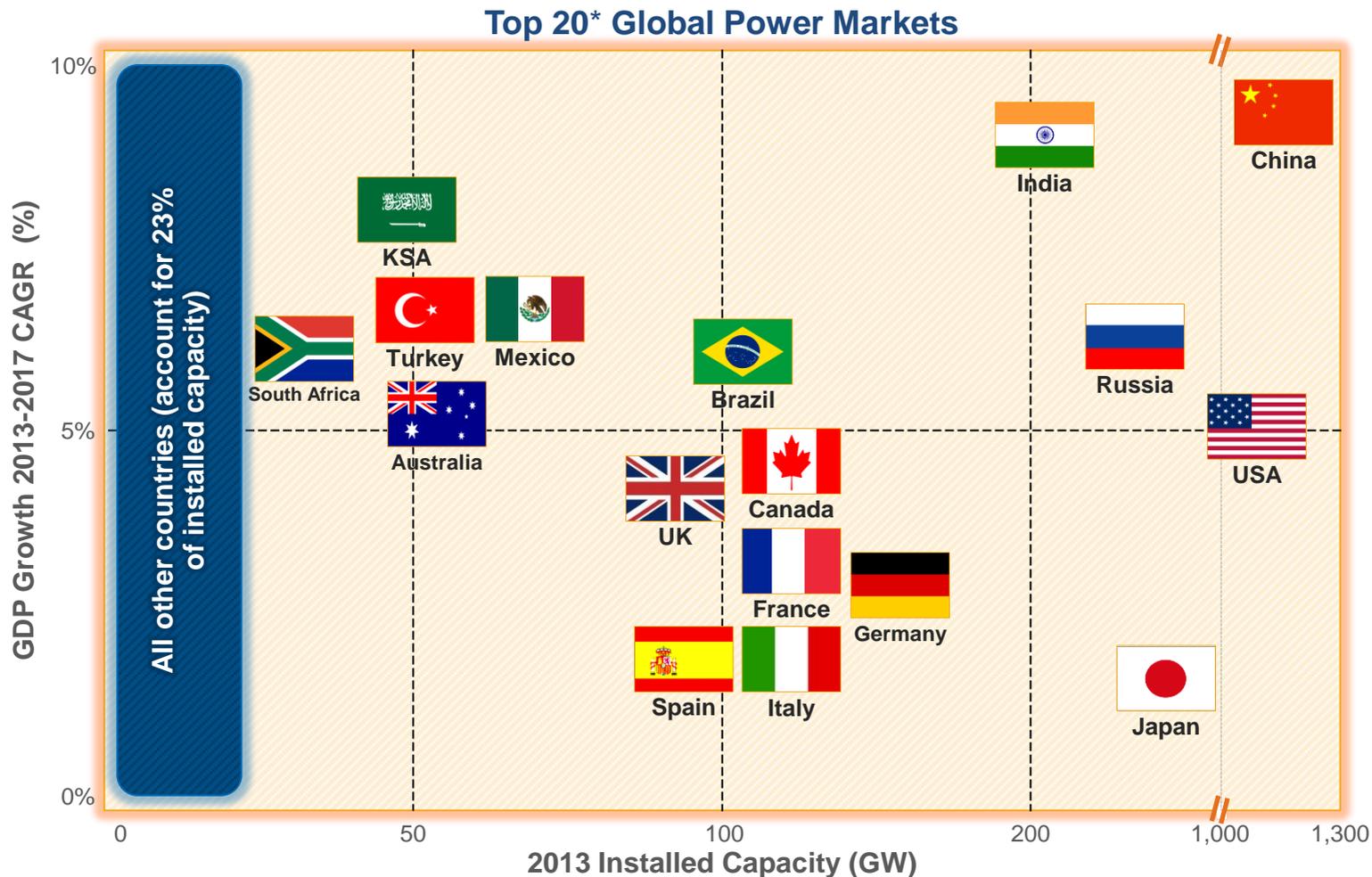




**OPPORTUNITY**



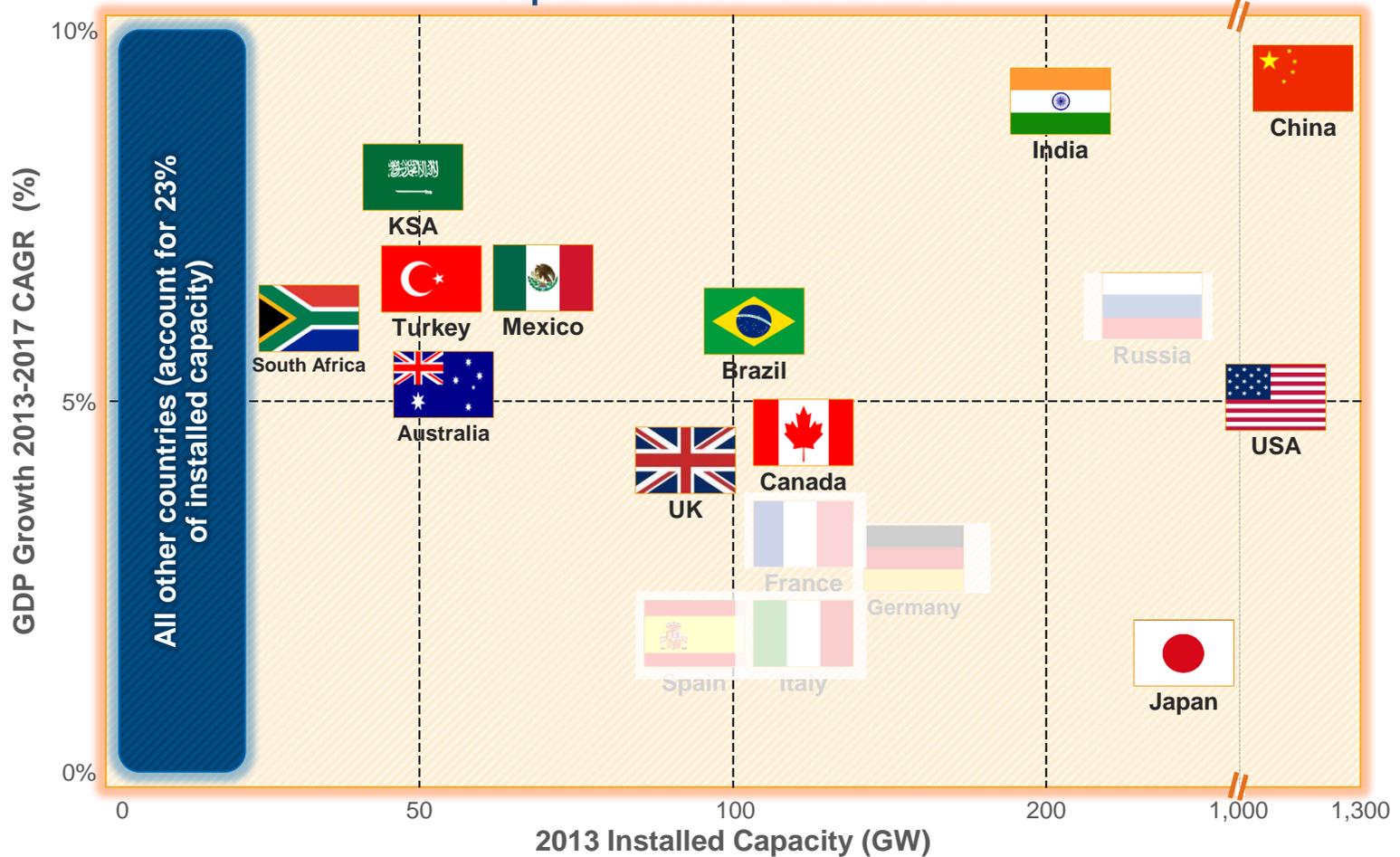
# Major Trends in Global Power Markets



\* Excluding Iran, Ukraine and Korea  
Sources: IMF, World Bank, CIA Factbook

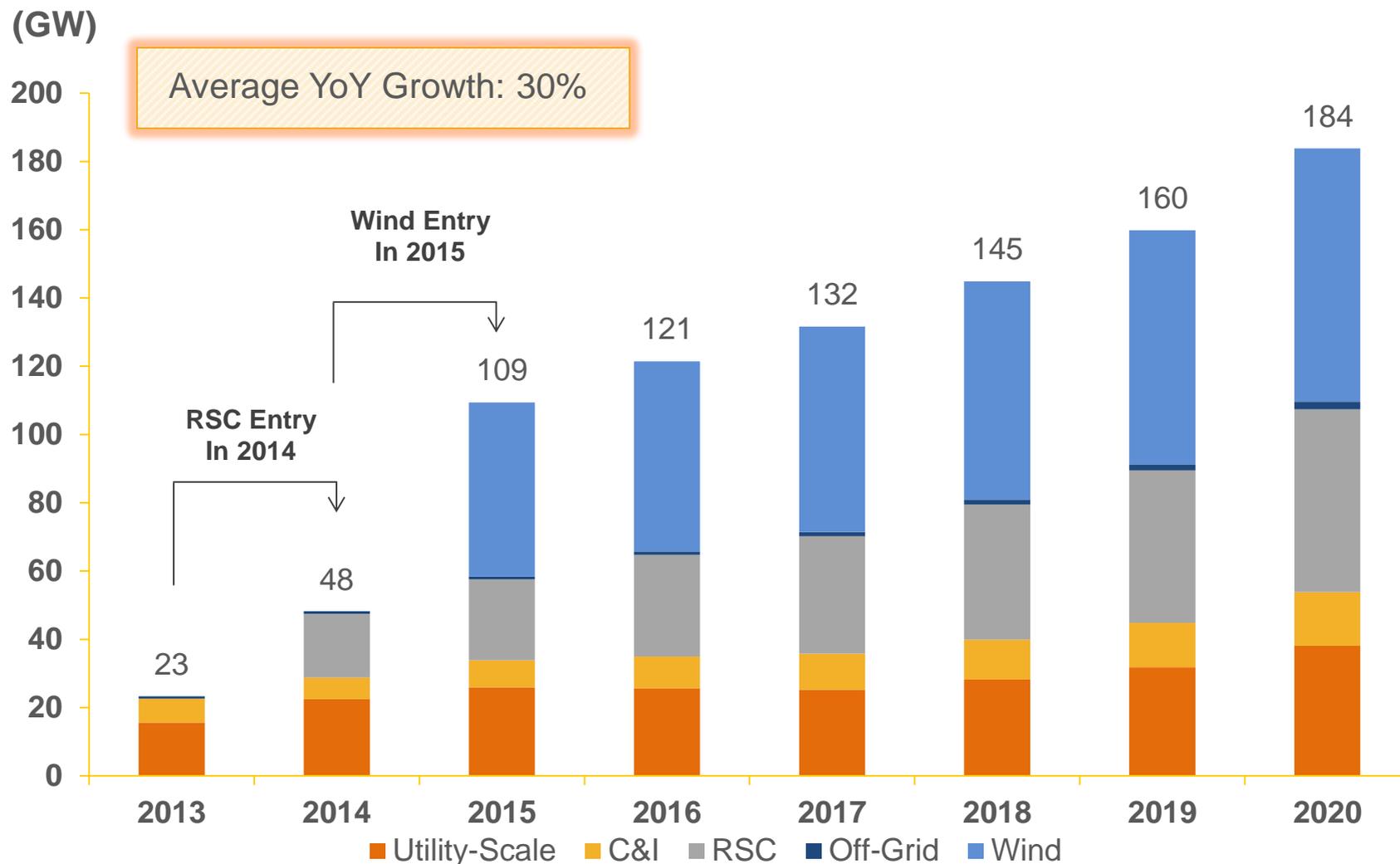
# Focused on Largest and Fastest Growing Markets

Top 20\* Global Power Markets



\* Excluding Iran, Ukraine and Korea  
Sources: IMF, World Bank, CIA Factbook

# Serviced Addressable Market: GWs



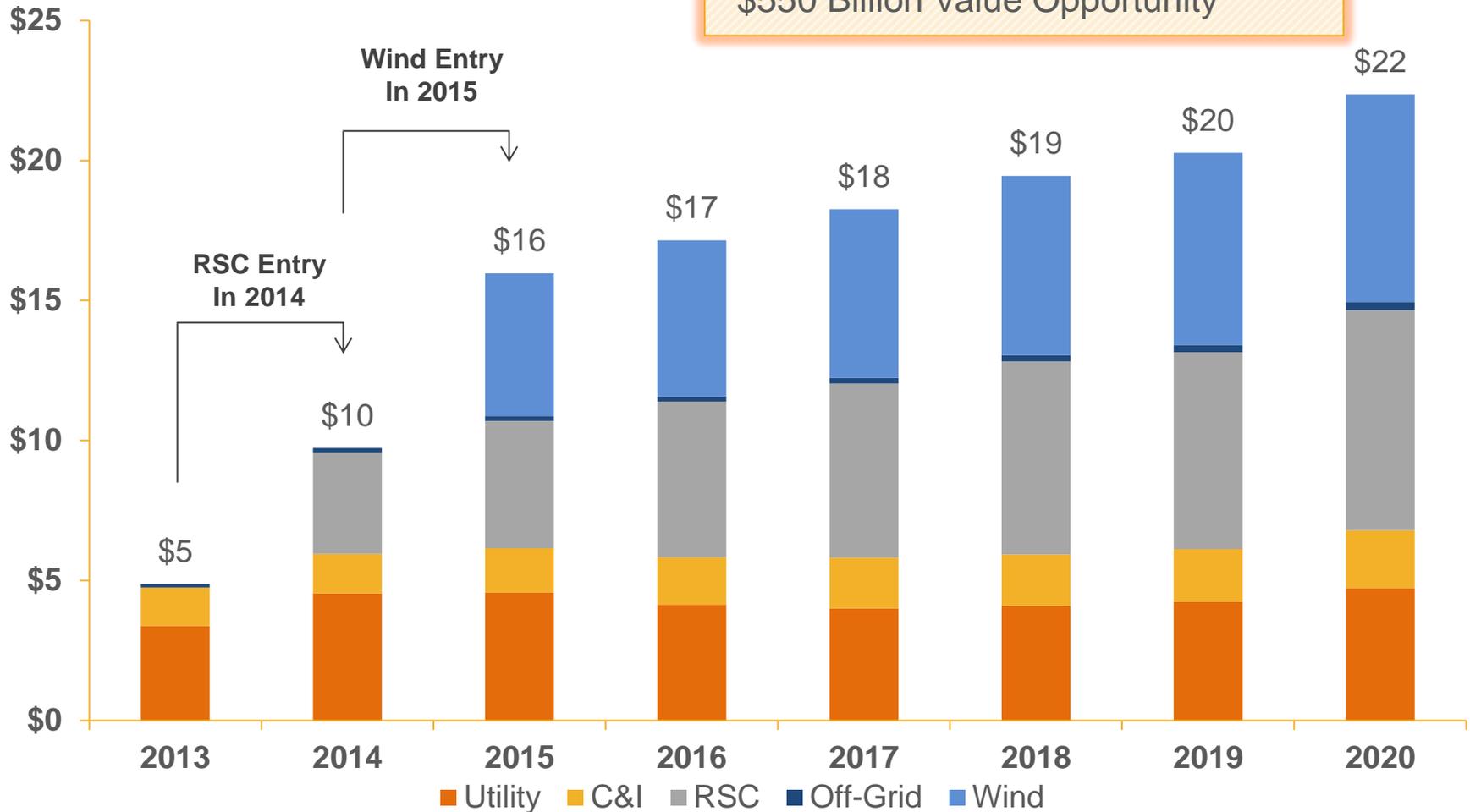
Source: IHS, GWEC 2013-18; 2019-20 based on annual growth rate for 2017-18



# Serviced Addressable Market: CAFD

(\$B)

200x the CAFD of the TERP IPO  
\$550 Billion Value Opportunity

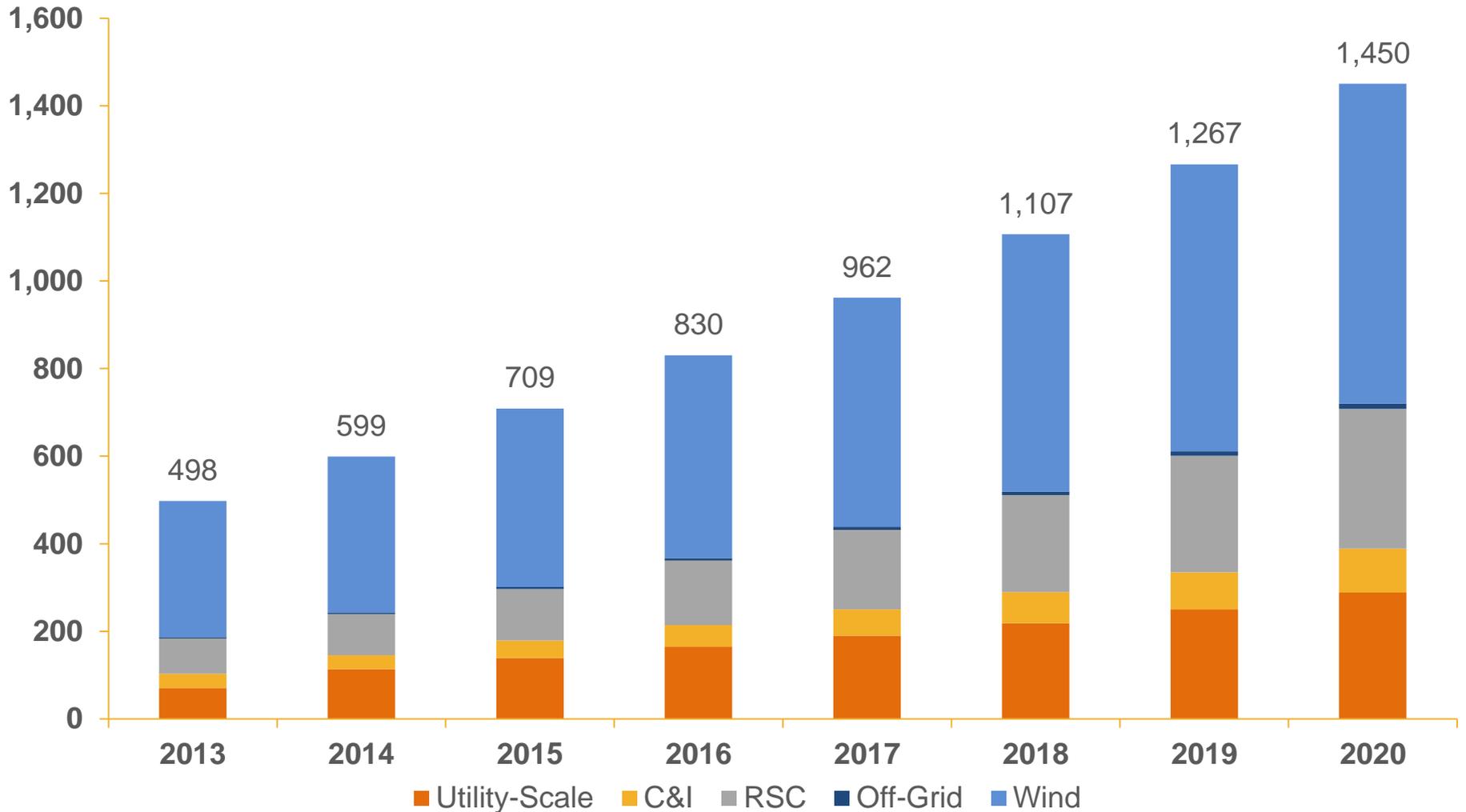


Source: IHS, GWEC 2013-18; 2019-20 based on annual growth rate for 2017-18

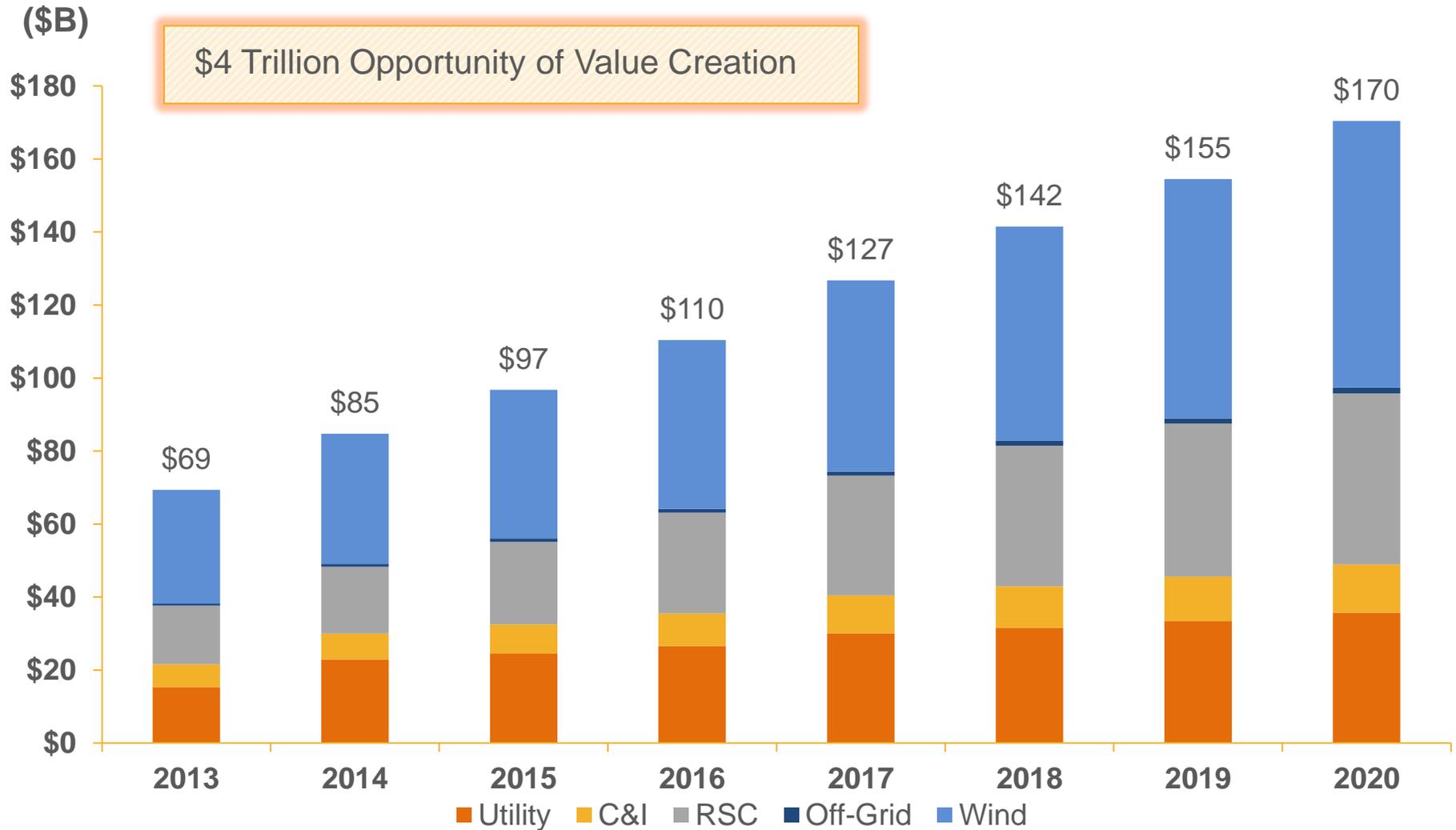


# Cumulative Installed GWs

(GW)

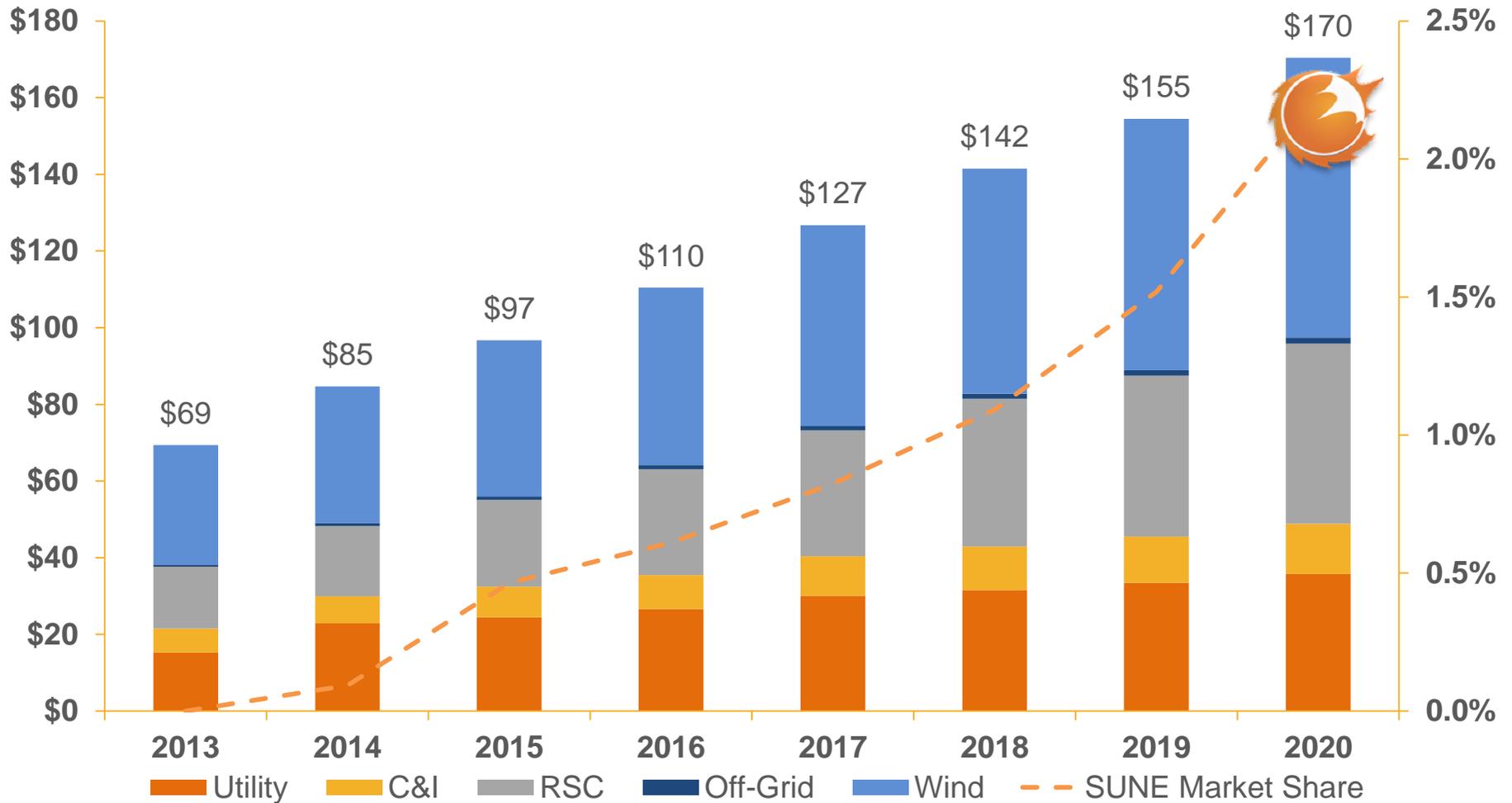


# Cumulative Installed CAFD



# Market Fragmentation Provides Consolidation Opportunities

(\$B CAFD)



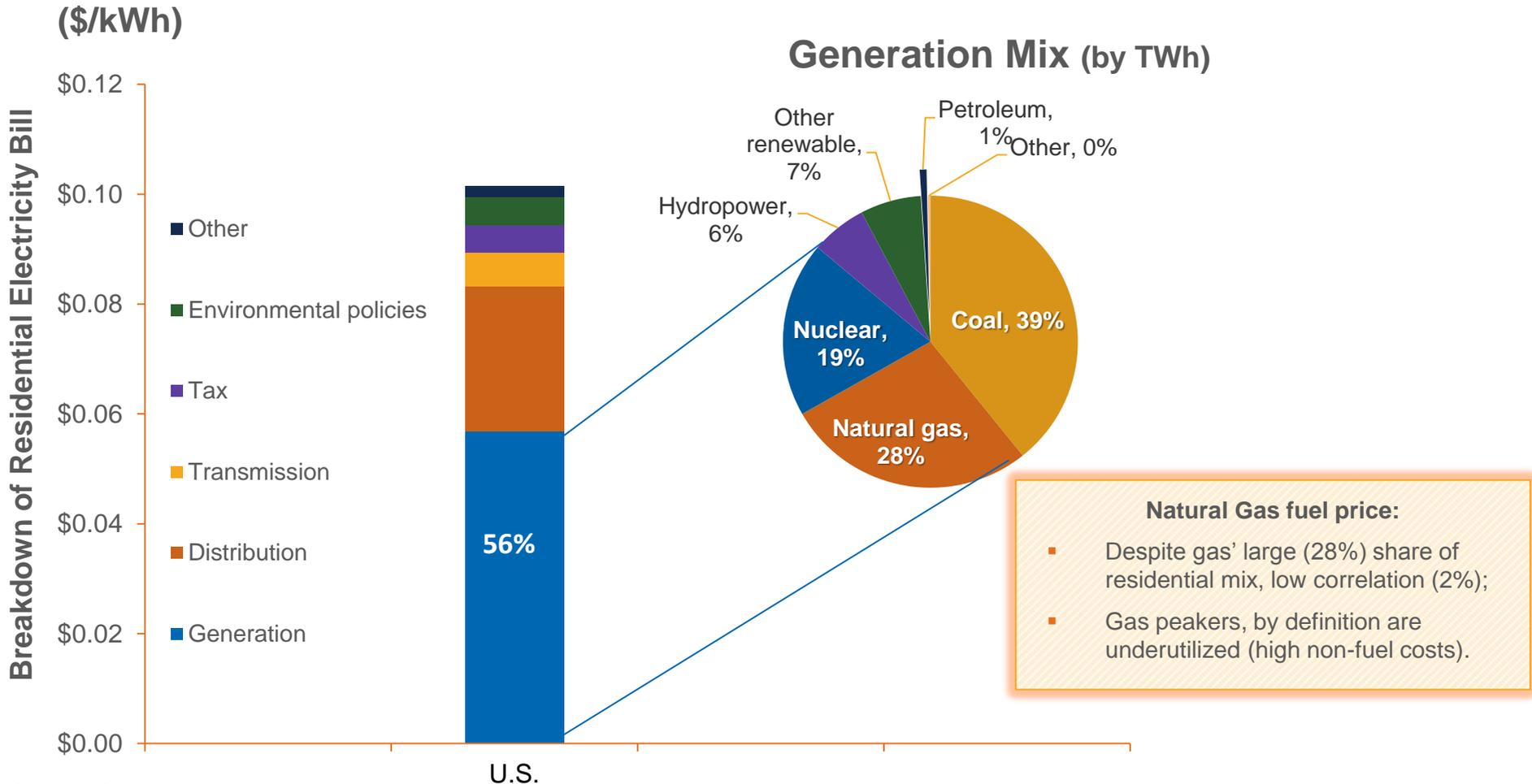


**OIL & ITC**



# Oil's Contribution to U.S. Residential Electricity Prices

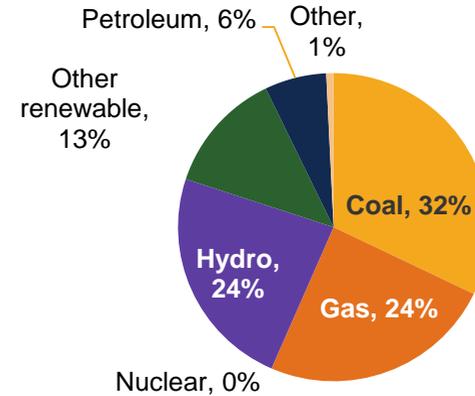
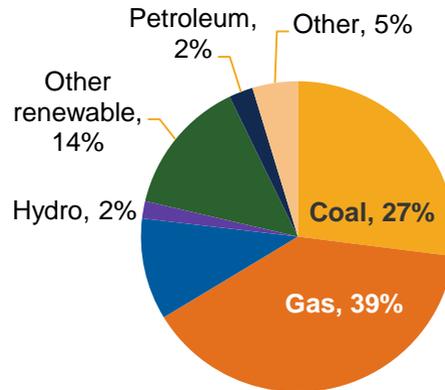
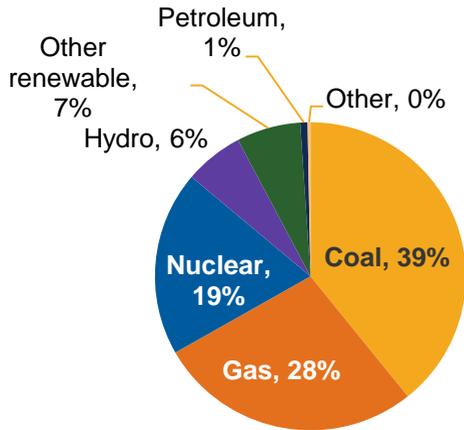
*Oil generation costs (fuel + fixed + operating) = 0.4%*



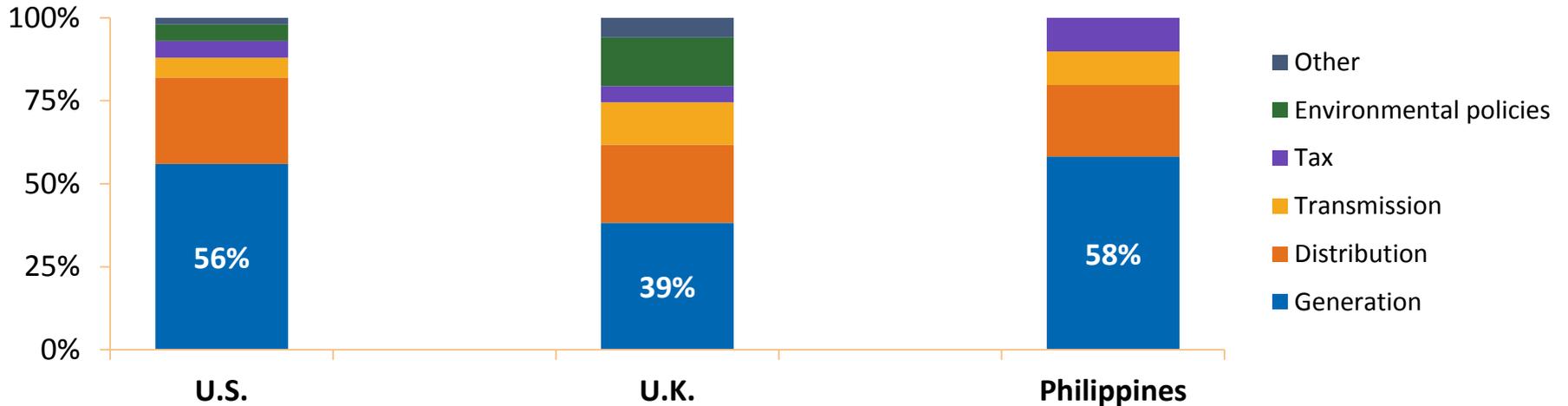
Source: U.S. EIA Average

# Generation <60% of Retail Rates, Oil is <2% of Generation

## Generation Mix

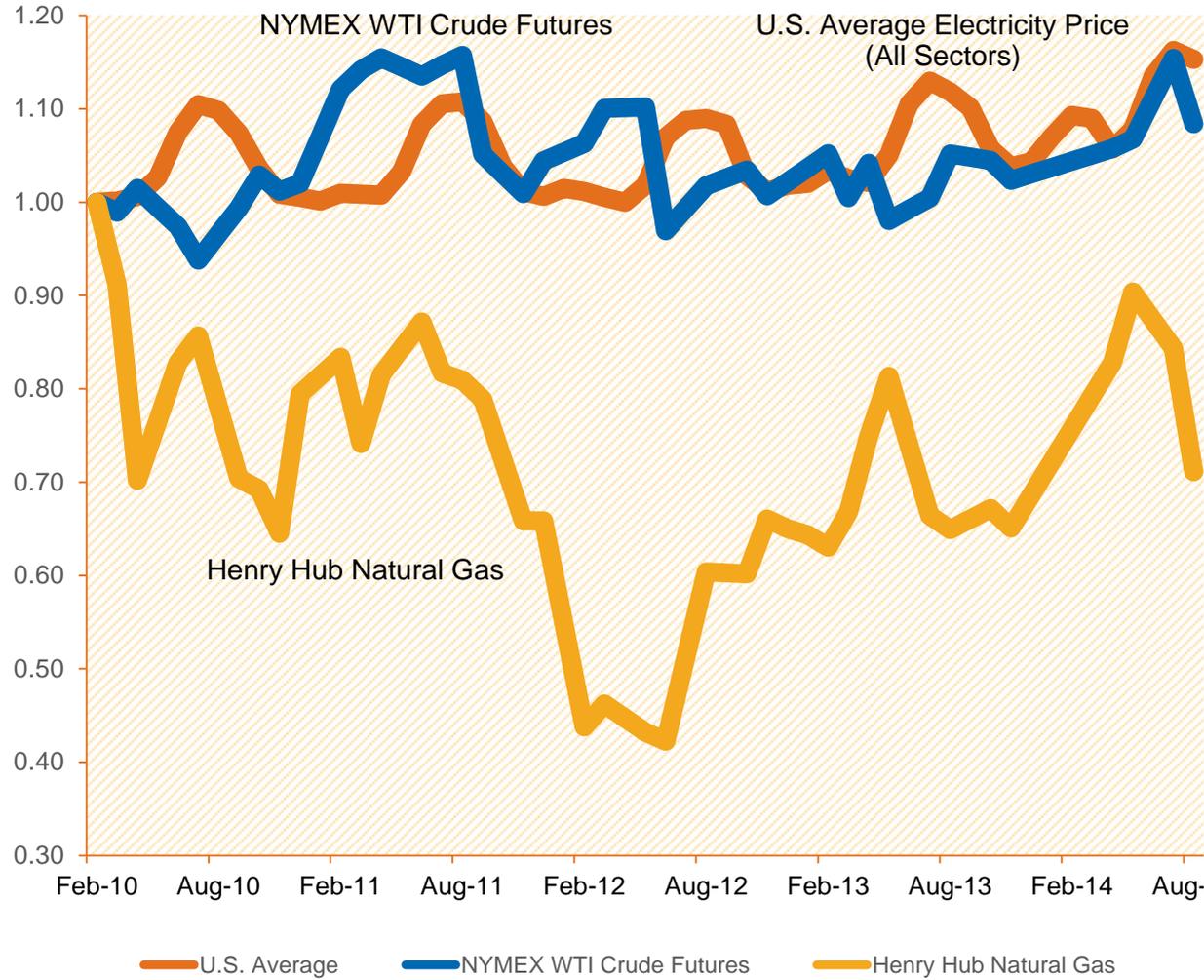


## Residential Bill Breakdown of Charges



Sources: U.S. EIA Average, Energy-UK.org.uk, Meralco.com.

# Fuel Prices Are Not Correlated to Electricity Prices



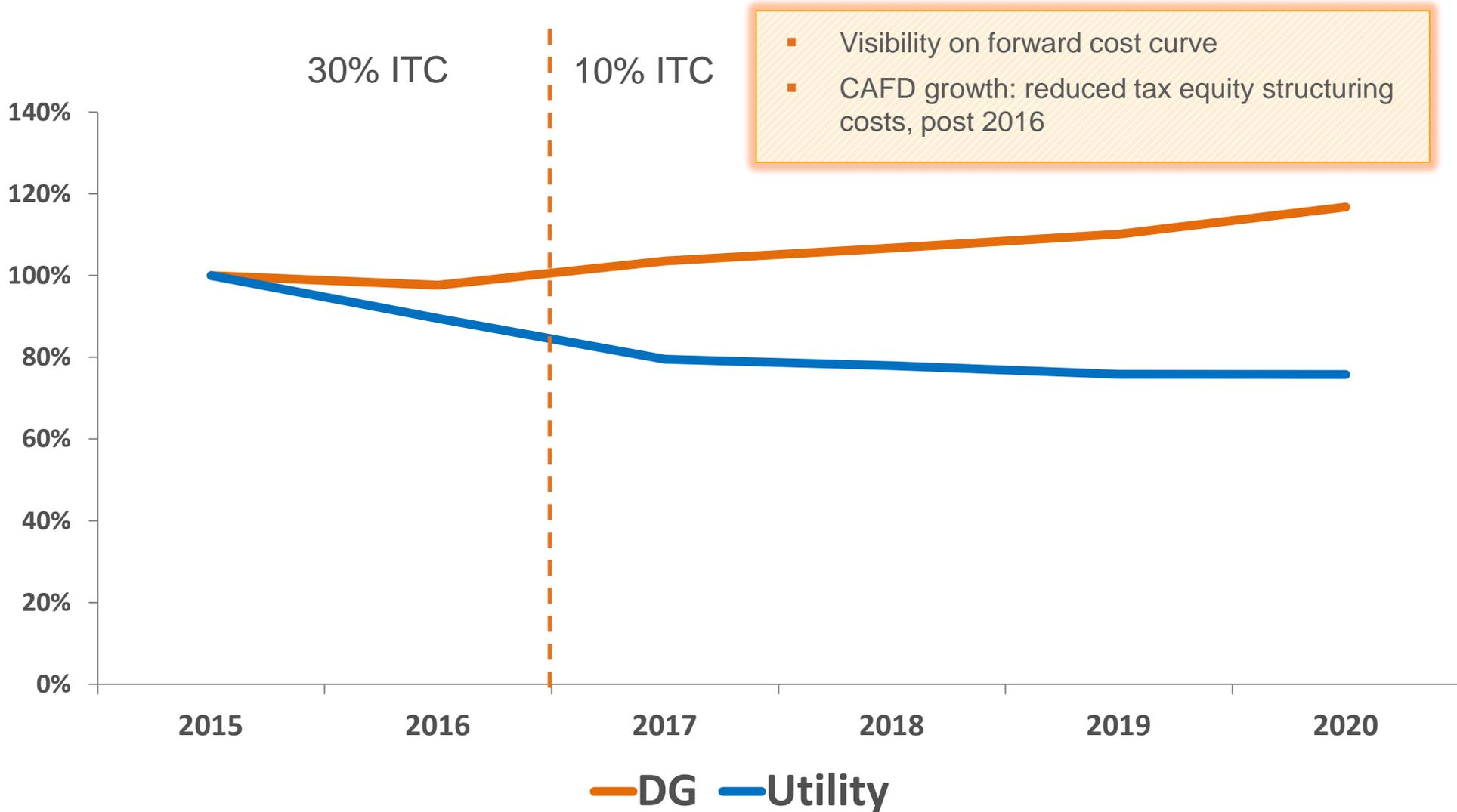
Correlations to Electricity

	Oil	Natural Gas
Residential	-3%	-14%
Commercial	-11%	5%
Industrial	-1%	15%
U.S. Average	-9%	11%

Source: U.S. EIA/



# ITC: Minimal Impact on NPV Per Watt



Source: SunEdison internal.

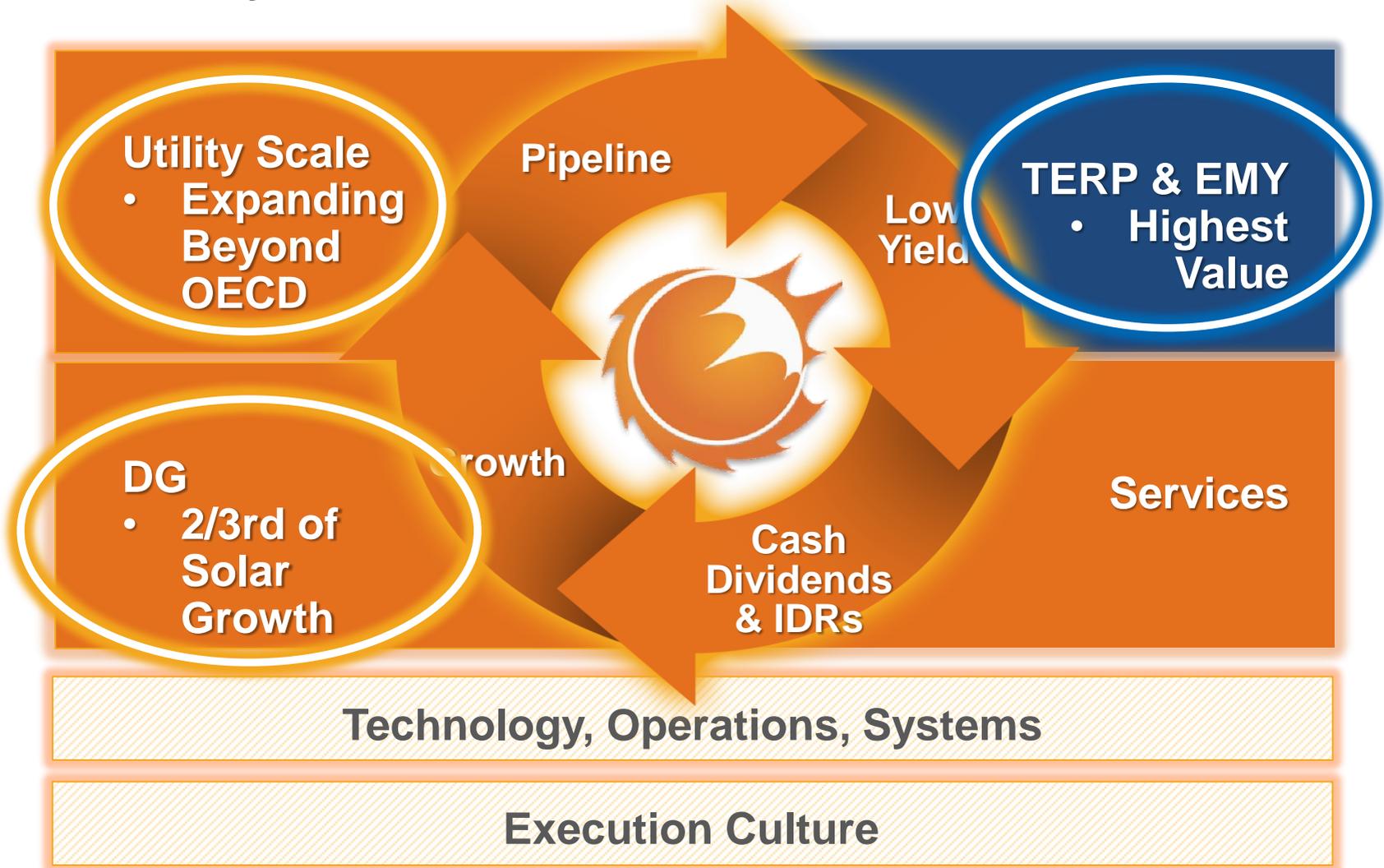




# POSITION



# SunEdison Platform: Virtuous Cycle of Value Creation and GP-Like Structure



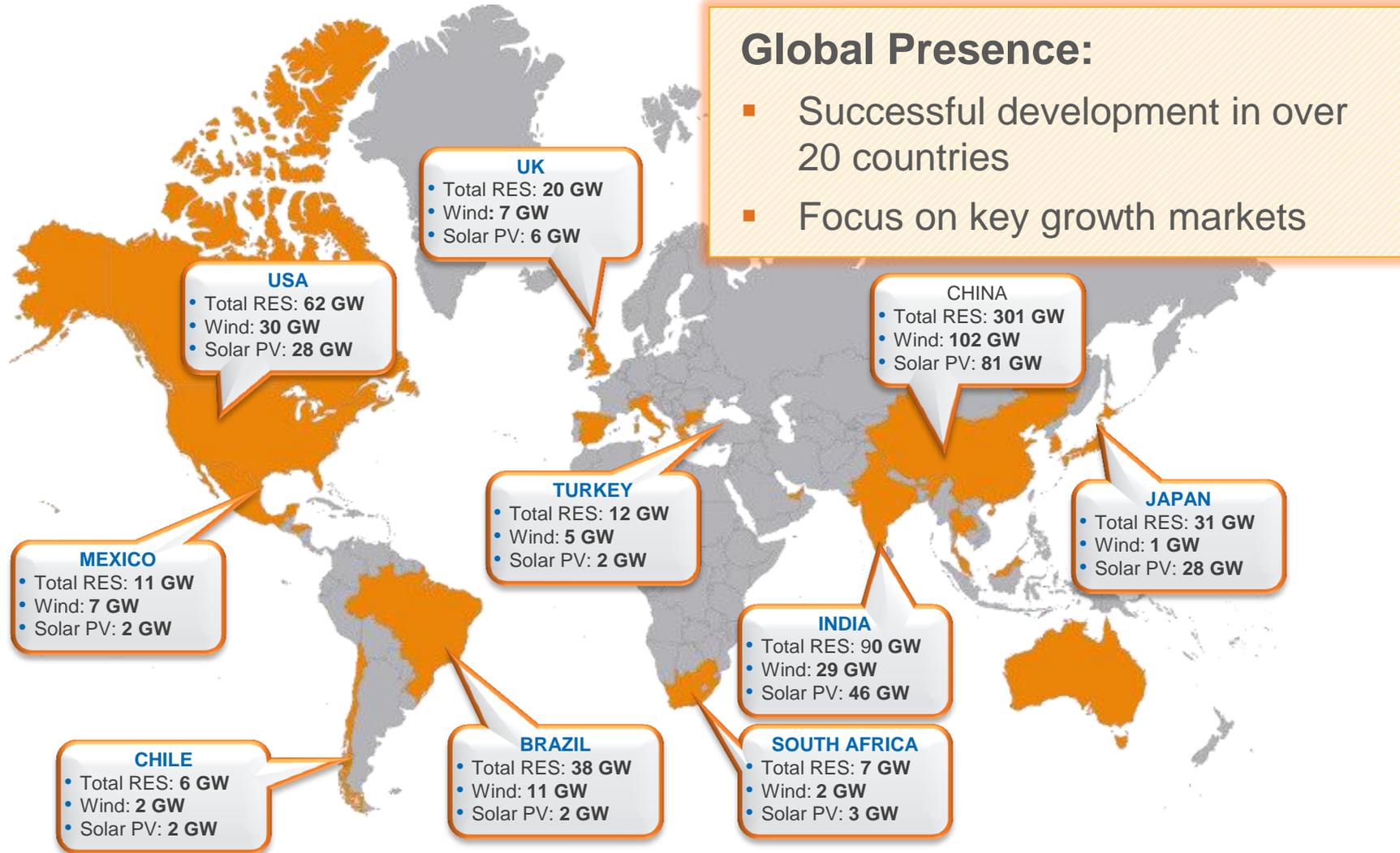


**EMERGING MARKETS**



# Global Presence in Key Markets

2015–2020 Renewable Power Installs



# Emerging Markets: Opportunity

## Opportunity + Capability

- Capitalize on increased electricity demands & capacity additions
- Early to market
- Large existing footprint
- Leverage learnings from TERP IPO
- Aggregate low cost capital in region

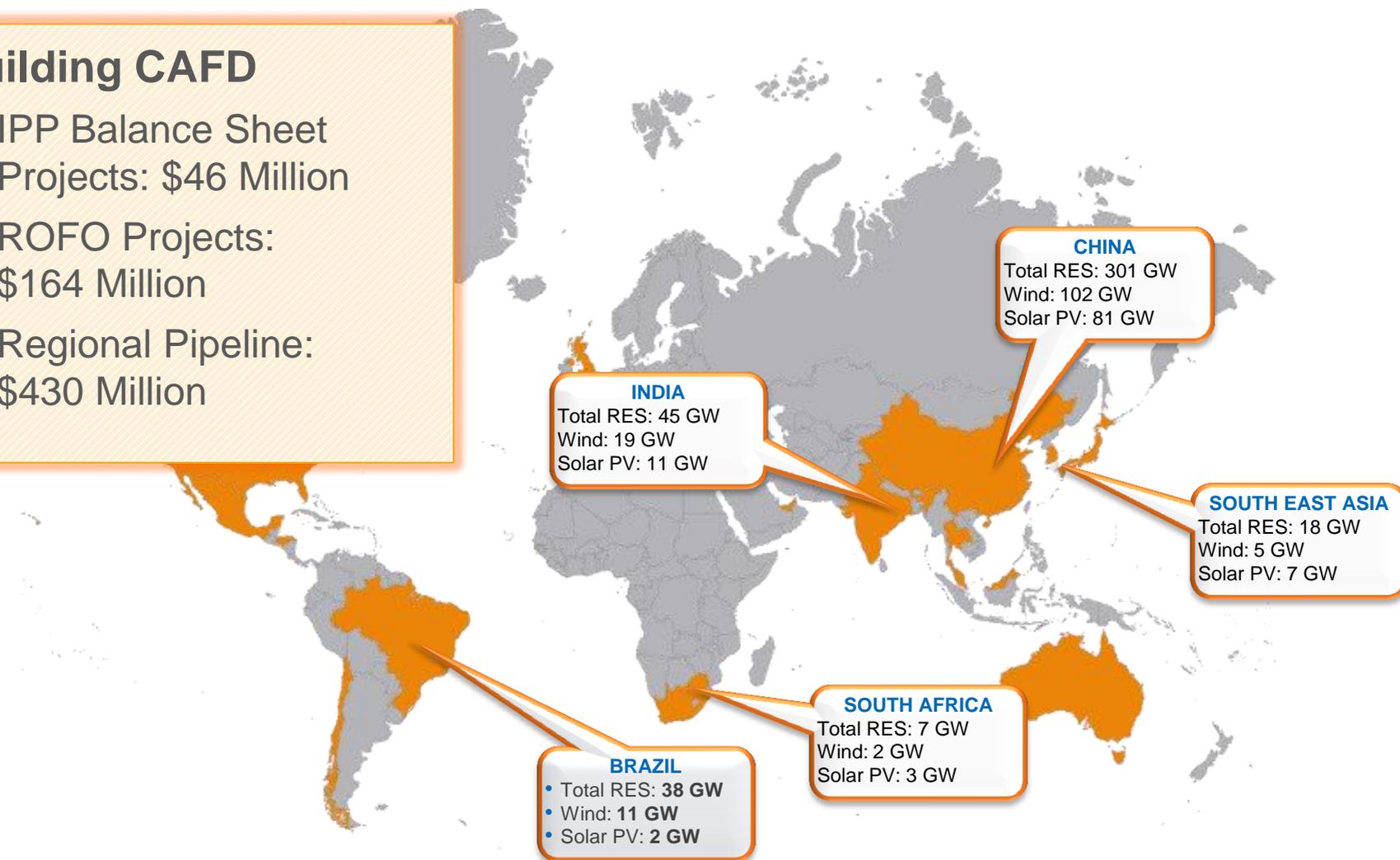
## Announcements

- 1 GW JIC China
- 1 GW Renova Energia, Brazil
- 300 MW AboitizPower, Philippines
- 250 MW Omnigrid Micropower Co, India
- 5 GW Karnataka
- 5 GW Rajasthan

# Emerging Markets: Unlevered CAFD

## Building CAFD

- IPP Balance Sheet Projects: \$46 Million
- ROFO Projects: \$164 Million
- Regional Pipeline: \$430 Million





# DISTRIBUTED GENERATION

Commercial & Industrial  
Residential and Small Commercial



# Residential & Small Commercial (RSC)

on.com/home-solar-systems

Product Performance Flexible Financing Worry-Free Ownership

- **Global Launch in 2014**
- **First Wave Markets : US, UK, AU**
  - Mature consumer credit
  - High and rising electricity rates
  - Strong policy support
- **Rapid ramp**
  - 39 MW 2014
  - 24 MW in 4Q14

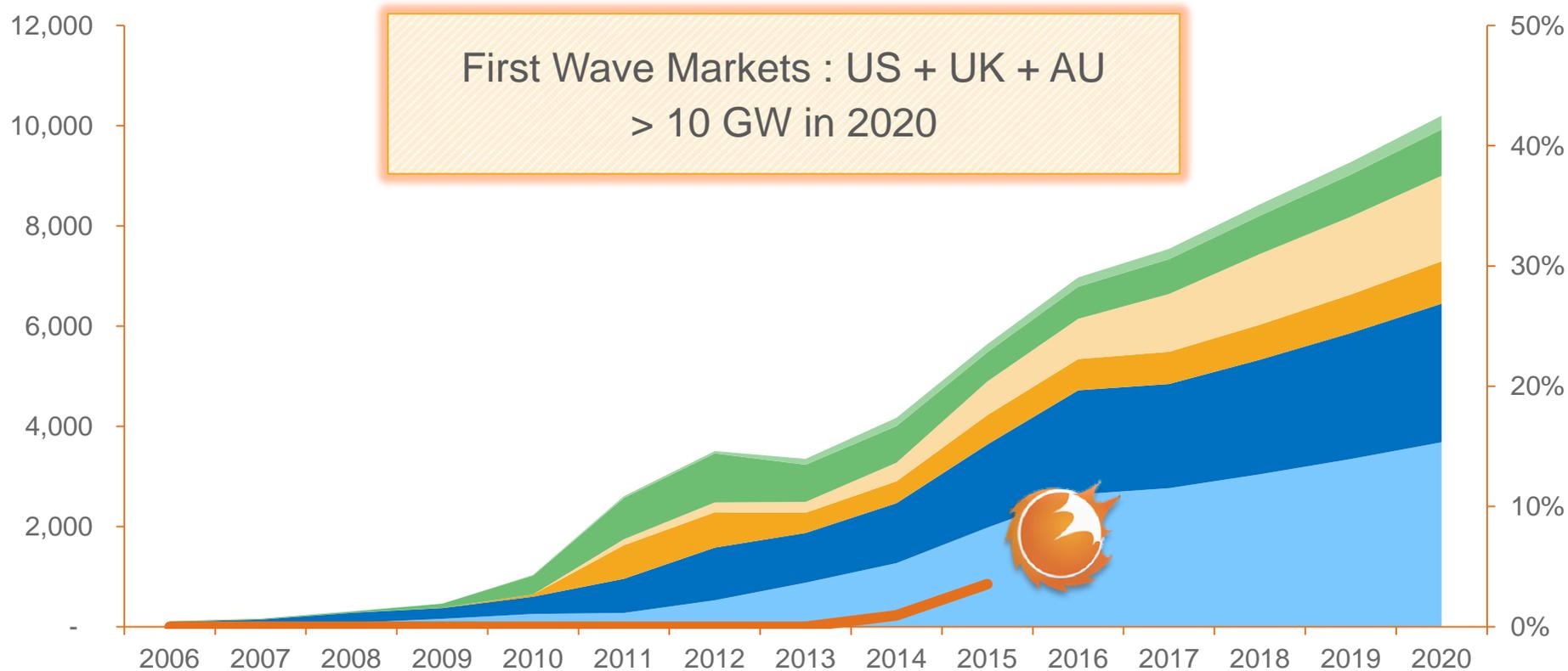
# WELCOME

TO THE DAWN OF A NEW ERA  
IN SOLAR ENERGY.

# RSC : First Wave Countries

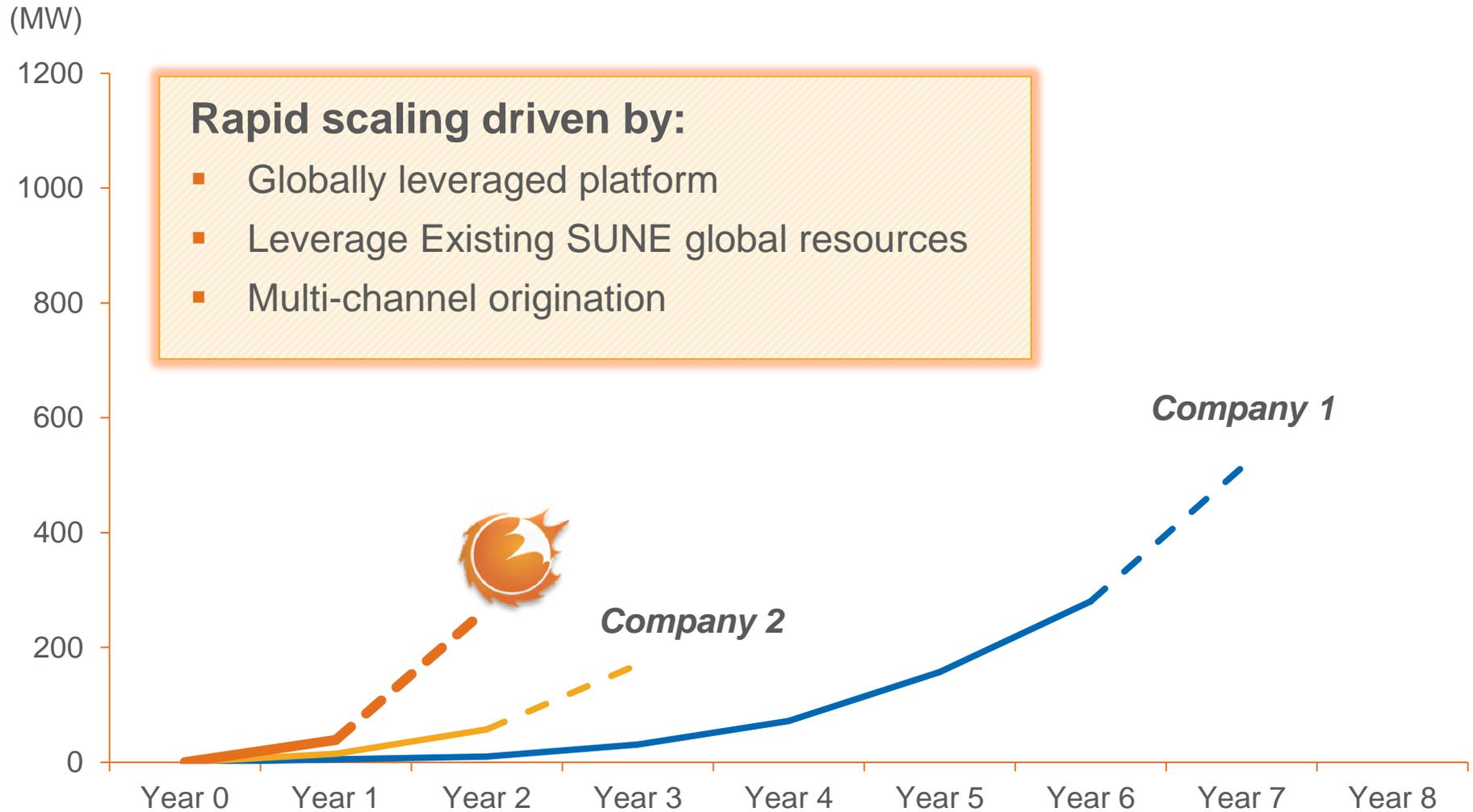
(MW) Annual Installations

(% Share of Addressable Market)

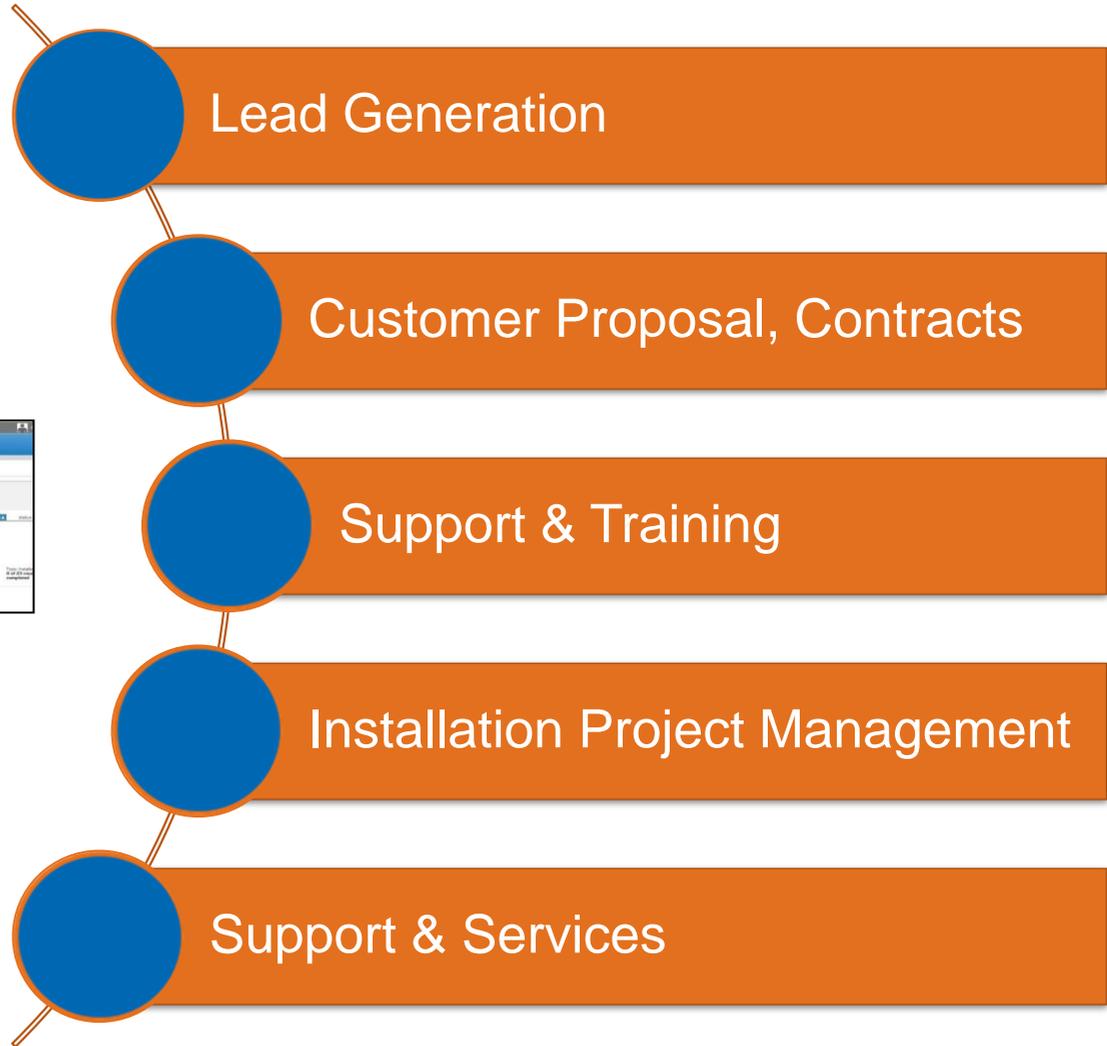


- U.S. Residential
- U.S. Small commercial
- U.K. Residential
- U.K. Small commercial
- AU Residential
- AU Small commercial
- SunEdison (right-hand axis)

# RSC: Scaling Faster than the Competition



# End-to-End Platform Management and Fulfillment

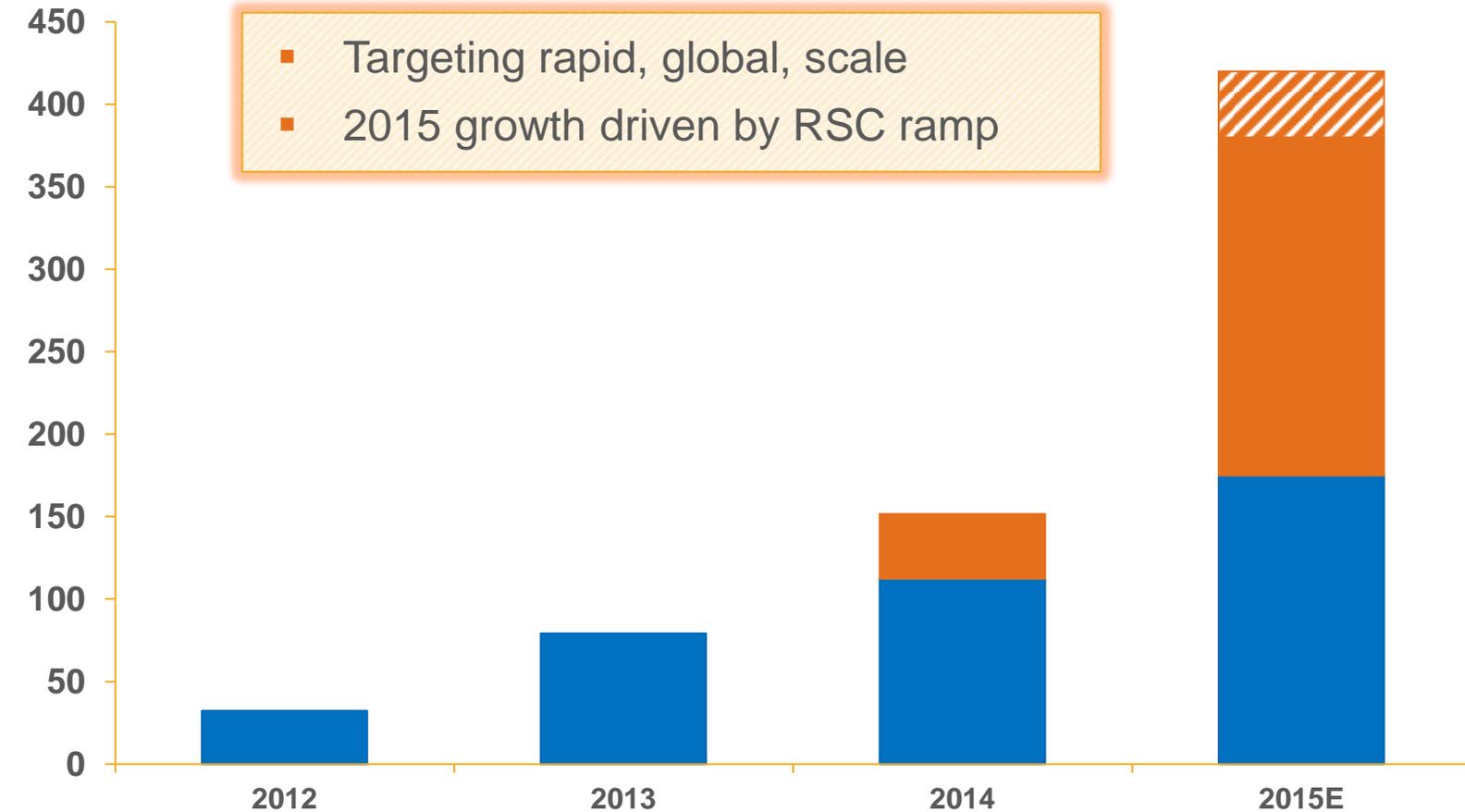


# RSC: Flexible, Efficient & Scalable Engine

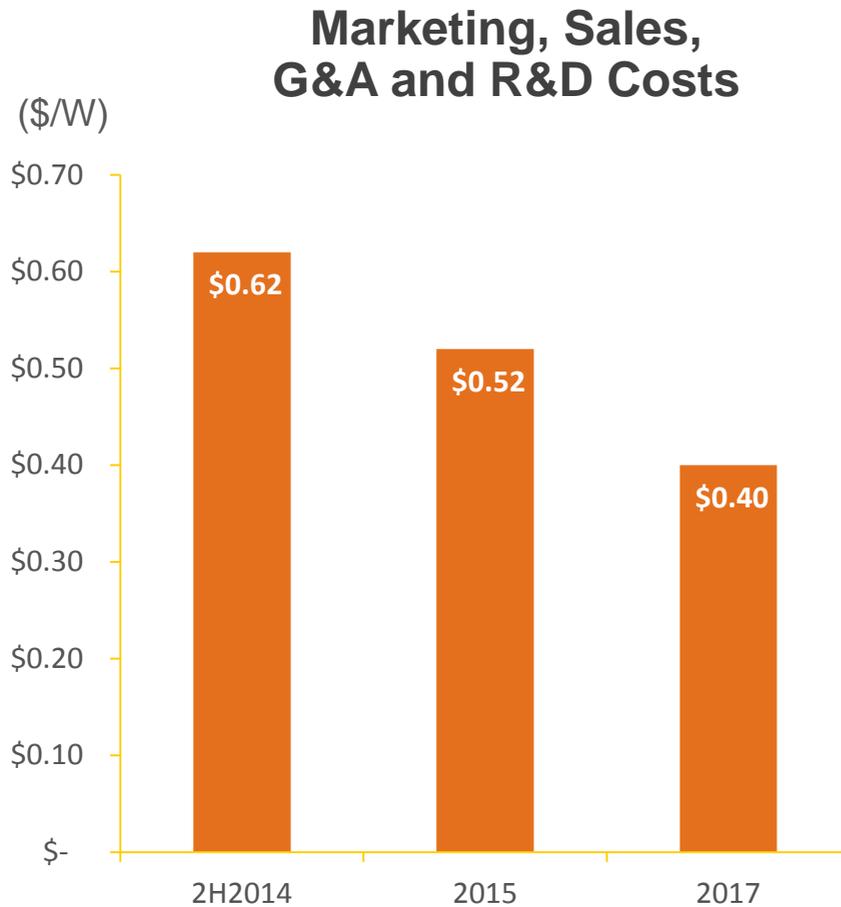


# DG Unit (RSC + C&I) Growth

(MW)



# DG Unit: Best-in-Class Fully-Loaded OPEX



## SUNE Cost Advantage:

- Unified, globally leveraged, DG platform
- DG expansion leverages existing SUNE resources in global markets

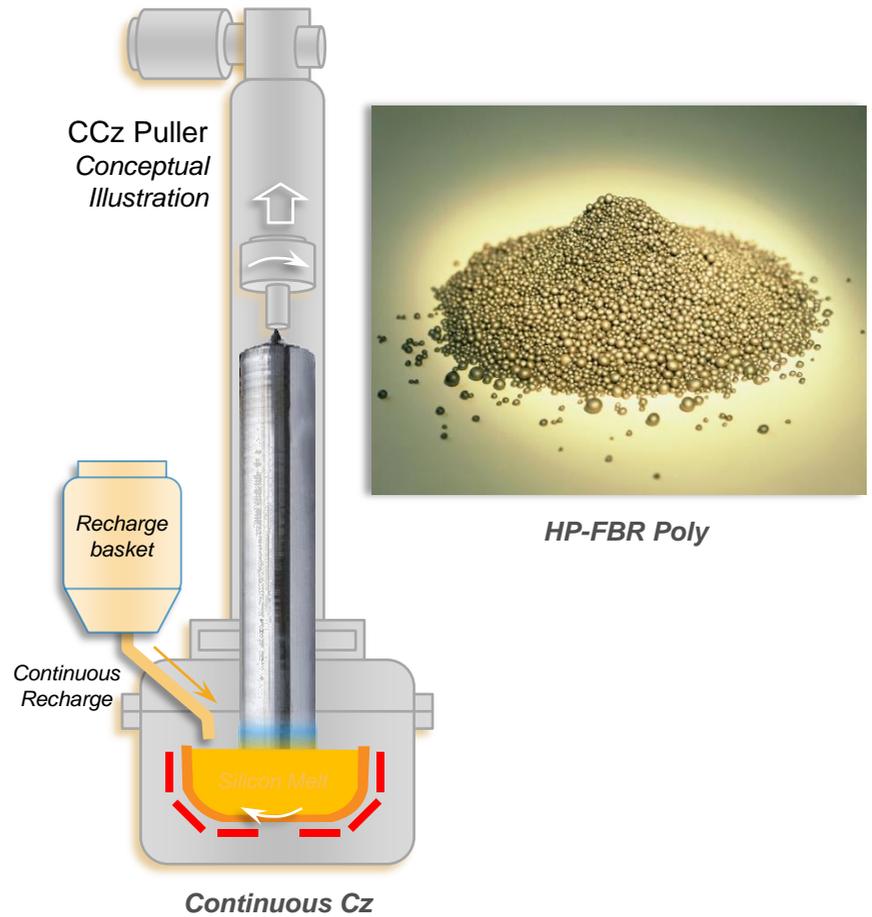
# 2017 Post-ITC DG: Grid Parity in 25+ States

**Installation Cost**  
**(US Market, Direct Sale)**

**\$1.50 / watt**

## **SUNE Cost Advantage**

- Vertically integrated technology supply chain - silicon to modules
- Rapid scaling, with an integrated platform
- Flexible project deployment – hybrid model, adopted to local markets



Intellectual Property



# IP: Enables Asset-Light Supply Chain

- **World-Class Costs**
  - HP FBR: \$9/kg cost advantage on poly manufacturing
  - CCz: \$8/kg cost advantage on crystal manufacturing
  - Combined: \$19/kg yielded cost advantage on ingots
- **SMP Polysilicon JV**
  - Proof of concept:
    - IP license revenues
    - 50% plant ownership, with offtake rights
  - Ramping facility, providing access to world class poly cost
- **Future Licensing**
  - MOUs announced in Saudi Arabia and India
  - Additional Opportunities in Asia and elsewhere
  - Model similar to SMP JV



# ASSET OWNERSHIP

Carlos Domenech



# Consistently Delivering on Commitments

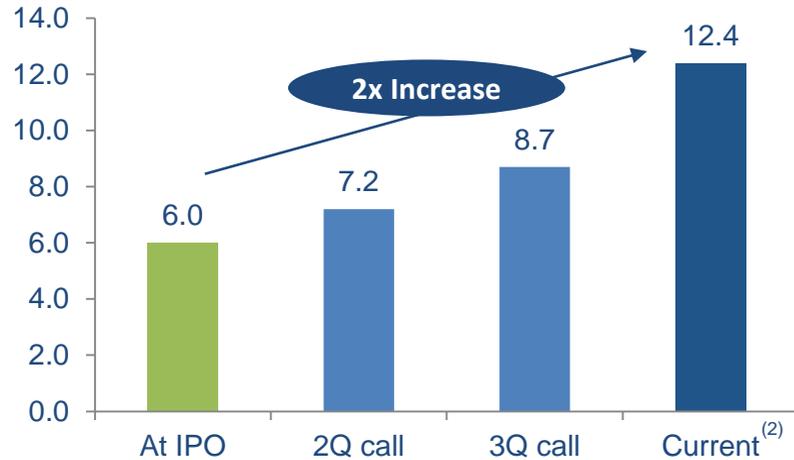
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- **Declared a 20% Q4 dividend increase to \$1.08/share annualized**
- **2015 DPS guidance at \$1.30/share up 44% from IPO**
  - CAFD guidance to \$214M up 2x from IPO
  - Operating fleet 1,507 MW portfolio
  - Current annualized CAFD of ~\$180M
- **Growth visibility: 3.3 GW committed SunEdison drop downs**
- **Well capitalized balance sheet and access to liquidity**
  - \$640M of corporate liquidity as of Jan 31, 2015 (excluding restricted cash)
  - \$1.5B of committed capital for drop down warehouse facility; ability to expand

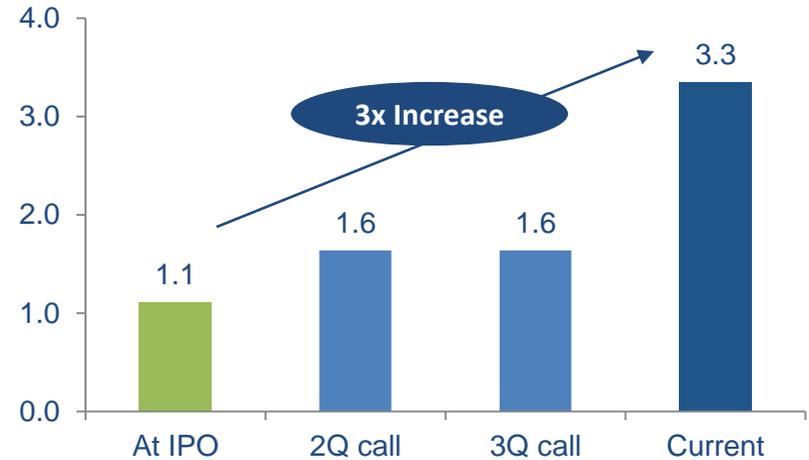
Executing Beyond IPO Plan

# Strong Execution

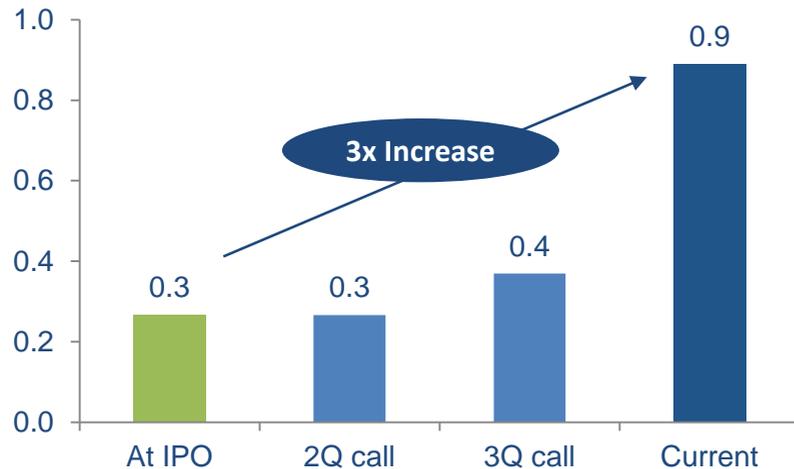
**SunEdison: Expected Project Conversions (GW)<sup>(1)</sup>**



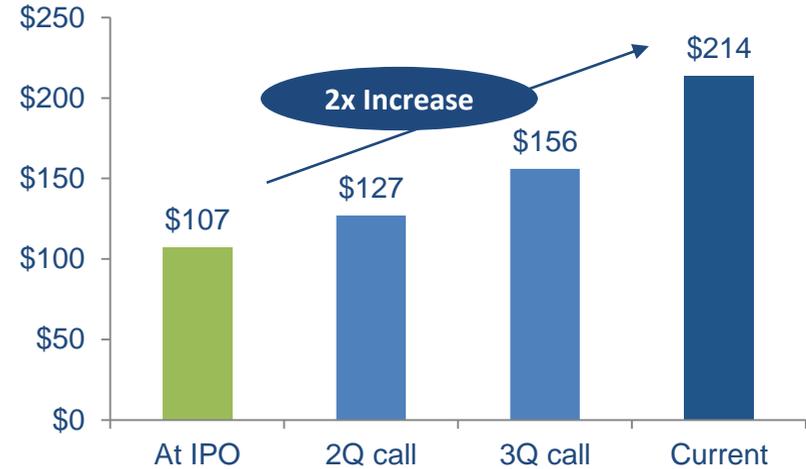
**Call Right Projects (GW)**



**Cumulative Third Party M&A (GW)**



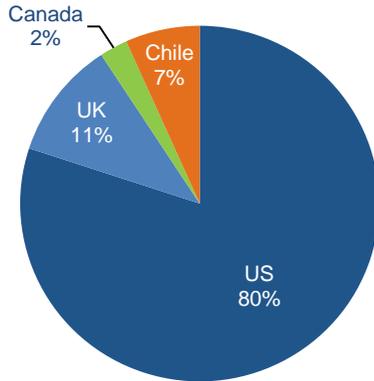
**2015 CAFD Guidance (\$M)**



1. Project conversions represents the sum of SunEdison leads, qualified leads, pipeline and backlog each converted based on historical conversion rates by category  
 2. Includes 2.1 GW of expected conversions from the 8 GW of First Wind development stage projects

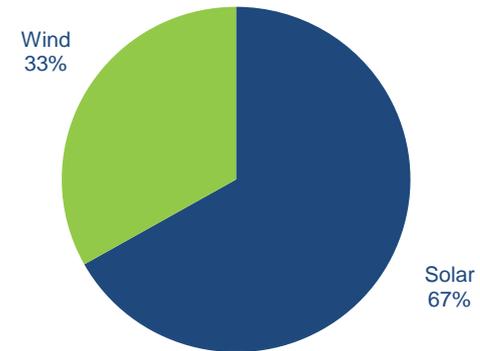
# High Quality Operating Portfolio of 1,507 MW

## Location



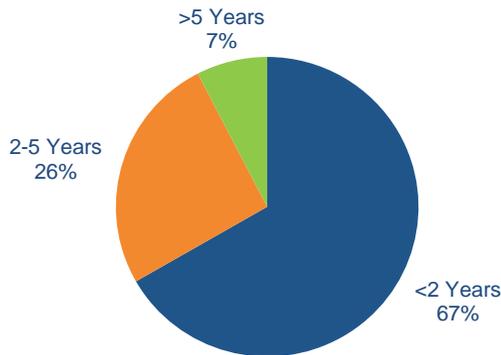
Assets located in attractive power markets

## Generation Type



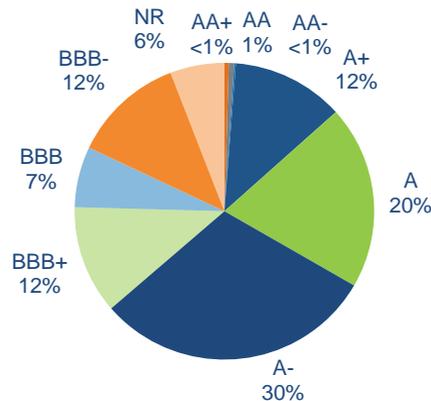
Diversification into wind

## Asset Age



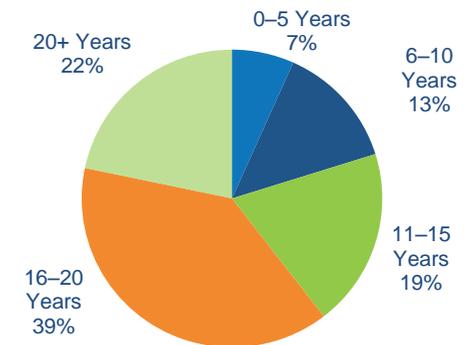
Most projects are <2 years old, with average 30-year expected asset life

## S&P Counterparty Rating



High quality average credit rating of A-

## Remaining Contract Length

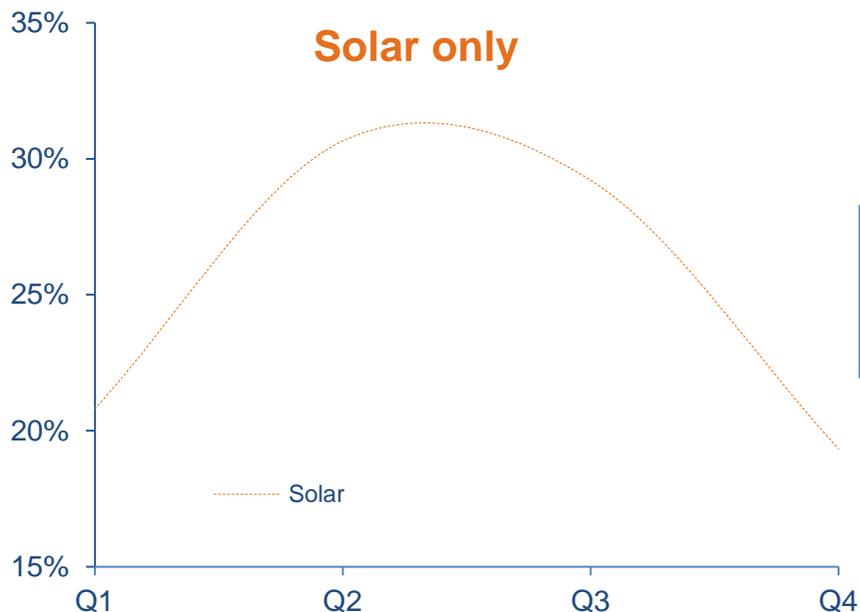


Average remaining PPA life of 16 years

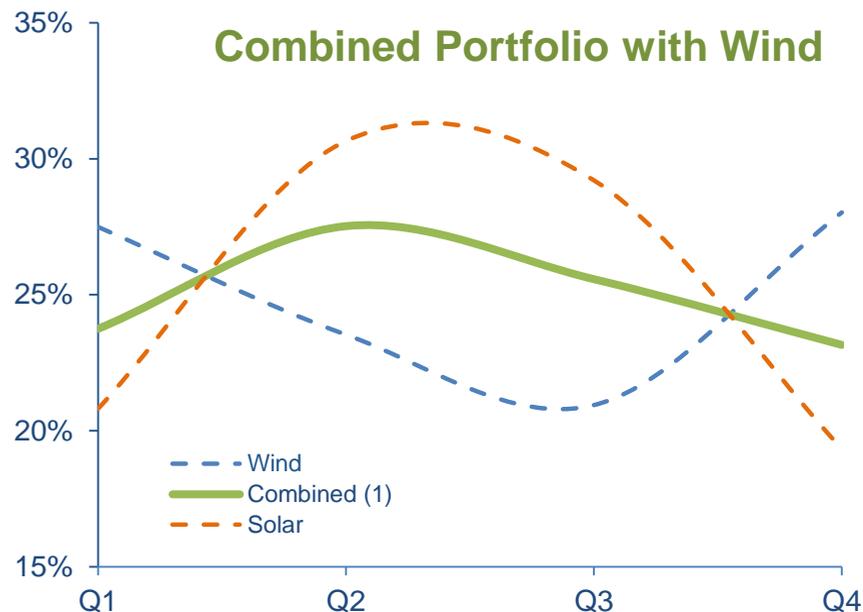
Note: As of January 31, 2015. Weighted by MW.

# Seasonal Generation of the TerraForm Fleet

% of Annual MWh Production by Quarter



% of Annual MWh Production by Quarter



2014 Performance consistent with solar seasonality

Wind Production linearizes the portfolio production

# TerraForm 2015 Revised Annual DPS Guidance



1. Represents 85% payout ratio on ~\$180M of run-rate CAFD (as of Jan 31, 2015) and 125M shares

# Disciplined Underwriting

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## 1 Underwriting criteria for typical project

- Assets with >9% levered cash-on-cash yield
- Unlevered IRR of >7%
- Results in attractive levered IRR of >9%

## 2 Asset life exceeds contract term

- Power plants with 15-25 year power purchase agreements (PPAs)
- 30 year asset life for wind and solar projects
- Power plants typically have option to extend to 30 years and beyond

## 3 Residual value add higher lifetime IRR

- Cash flows beyond the PPA contract are valuable and have higher project lifetime IRR

Driving Shareholder Value

# Growth Horizons

Focus	Launch	Horizon 1 Execute	Horizon 2 Accelerate	Horizon 3 Consolidate
Solar	Deliver Drop Downs	C&I Acquisitions	Residential Ramp	Storage and Hybrid Solutions
Other Clean Energy	Ramp Deal Flow	Wind Vertical	Hydro	Portfolio Approach
Geographies	NA Centric	NA Centric	Global (i.e. Japan)	Portfolio Approach

## Potential Headwinds...

- Market volatility
- Interest rate increases
- Competition for assets

## ...Tailwinds

- Strong yield / total return appetite
- Fragmented and inefficient markets
- Volume of new assets coming online
- Strong SUNE engine and pipeline

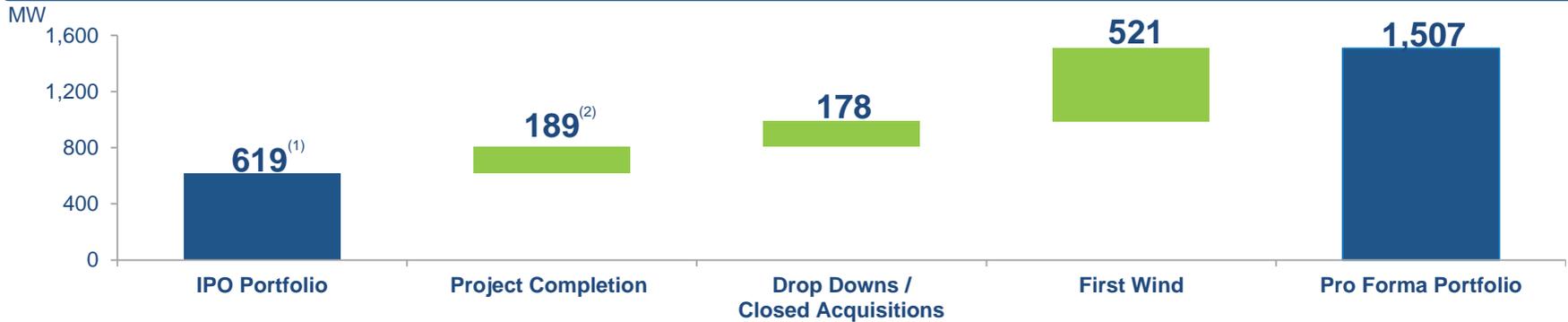
# Multiple Pillars Drive DPS Growth



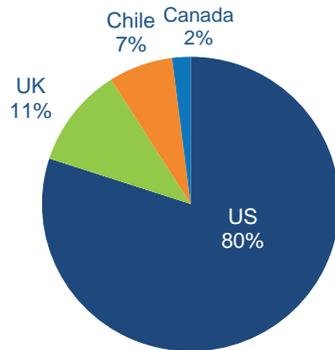
1. Represents unlevered CAFD.  
 2. 9 GW represents SunEdison expected project conversions net of call right projects

# 1 Increased Scale to 1.5 GW...Clear Path to 4.9 GW

Operating MW Growth of 143% Since IPO

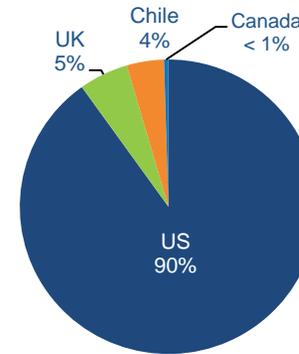


MW by Country – Pro Forma Portfolio



Pro Forma Portfolio MW: 1,507

MW by Country – Call Rights Projects



Call Right Projects MW: 3,345

**Total MW: 4,852**

1. Excludes 189 MW of projects under construction at the time of the IPO.

2. 157 MW completed between IPO and January 20, 2015. 32 MW remain under construction and are expected to achieve COD by 2Q 2015.

# 1

# Committed Drop Down Inventory of 3.3 GW



Project	COD	Fuel Type	MW
Ontario 2015 Projects	2015–2016	Solar	16
UK Projects #1-13	2015	Solar	179
Chile Project #1	2015	Solar	42
US C&I 2015 Projects	2015	Solar	118
Chile Project #2	2016	Solar	94
US AP North Lake I	2015	Solar	24
US Bluebird	2015	Solar	8
US River Mountains Solar	2015	Solar	18
US Kingfisher	2015	Solar	7
US Western Project #1	2016	Solar	156
US Island Project #1	2016	Solar	65
US Southwest Project #1	2016	Solar	100
US Utah Project #1	2016	Solar	163
US California Project #1	2016	Solar	55
Tenaska Imperial Solar Energy Ctr. West	2016	Solar	73
US California Project #2	2016	Solar	46
US C&I 2016 Projects	2016	Solar	55
US California Projects #3-4	2016–2019	Solar	516

1,734

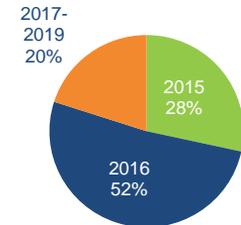


Project	COD	Fuel Type	MW
Mililani Solar I	2015	Solar	26
Seven Sisters	2015	Solar	23
Kawailoa Solar	2016	Solar	65
Waiawa	2016	Solar	61
Mililani Solar II	2016	Solar	20
Four Brothers	2016	Solar	400
South Plains	2015	Wind	200
Oakfield	2015	Wind	148
South Plains II	2015	Wind	150
Bingham	2016	Wind	185
Hancock	2016	Wind	51
Weaver	2017	Wind	74
Rattlesnake	2017	Wind	62
Route 66 II	2017	Wind	100
Bowers	2017	Wind	48

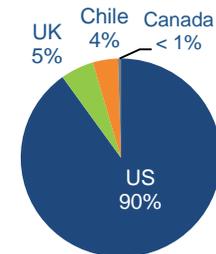
1,611

## Pro Forma Drop Down Inventory : 3.3 GW

### MW by Expected COD Year (%)



### MW by Country (%)



- Call Right list does not yet include residential projects from SunEdison
- Call Right list does not yet include additional 1.6 GW of PTC-eligible wind projects

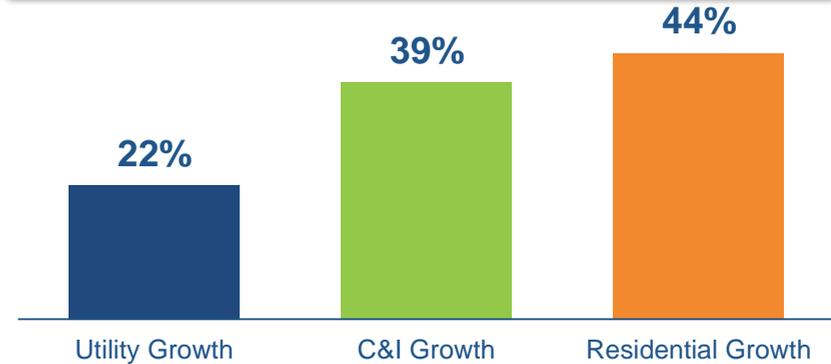
Note: Represents MW-ac for wind assets, MW-dc for solar assets.



## Overview

- Distributed Generation is the fastest growing PV segment
- Highly fragmented nature of the sector creates significant growth opportunities
- Stronger economics vs. utility-scale opportunities
  - Distributed solar generation is increasingly competitive against retail electricity rates

## 2012-2016 Solar Market Growth Comparison

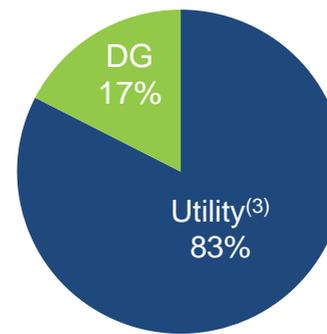


Source: Bloomberg New Energy Finance

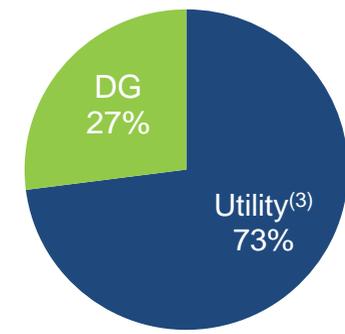
## DG Contribution

- TerraForm currently owns 263 MW of DG solar, contributing 27% of CAFD<sup>(1)</sup>
- The acquired Hudson and Capital Dynamics portfolios are comprised of 100% DG projects
- Acquisition further solidifies TerraForm's position as market leader in distributed solar
  - SunEdison ranked #1 in PV installs in the Commercial & Industrial segment in 2013<sup>(2)</sup>
- Leadership position supported by people, capital and scalable platform
  - Drives higher than market growth rates

### Pro Forma by MW



### Pro Forma by 2015 CAFD



1. Pro forma for First Wind acquisition.  
 2. Source: GTM Research, US PV Leaderboard.  
 3. Includes both solar and wind utility-scale assets.

## 3

# Representative Third Party Acquisitions



Mt. Signal  
@ IPO



“Small”



“Medium”



“Large”

**Total**

Size	266 MW	26 MW	78 MW	521 MW	890 MW
# of Power Plants	1	101	39	13	157
Locations	CA	MA, NJ, NY, PA	CA, MA, NJ, NY, PA	HI, MA, ME, NY, VT	U.S.
Generation Type	Utility Solar	DG Solar	DG Solar	Utility Wind (500 MW) Utility Solar (21 MW)	
MW-Weighted Remaining PPA Life	24	15	19	10	
MW-Weighted Credit Rating <sup>(1)</sup>	A / A1	A+ / A1	A- / A3	A- / A3	
CAFD	<b>\$22M<sup>(2)</sup></b>	<b>\$5M<sup>(2)</sup></b>	<b>\$21M</b>	<b>\$73M</b>	<b>\$120M</b>
Equity Value	N/A	\$35M <sup>(3)</sup>	\$250M	\$862M	\$1,147M
Closing Date	Closed (July 2014)	Closed (Nov 2014)	Closed (Dec 2014)	<b>Closed (Jan 2015)</b>	

1. For Mt. Signal, ratings based on actual counterparty credit rating.

2. Represents levered CAFD.

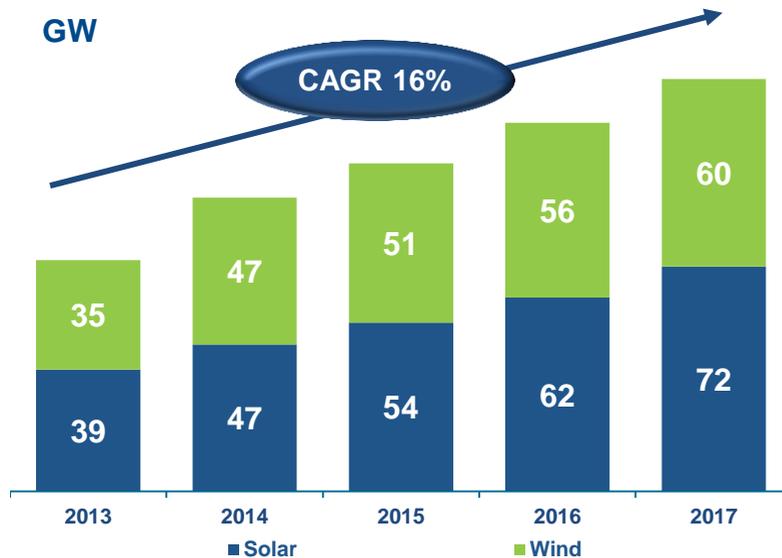
3. Hudson had \$20.7M in assumed project debt at the time of acquisition close.

## Strong Market Fundamentals

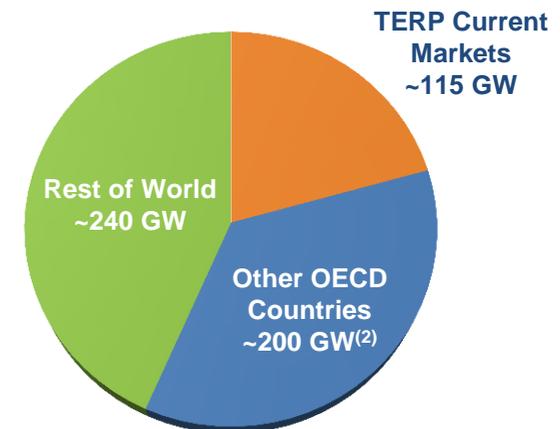


## Acquisition Opportunities

### Global Renewables Growth



### Global Installed Wind & Solar >550 GW



- SunEdison ranked **#1** in 2013 US PV installs in DG
- Entry into wind doubles potential addressable market
- Wind is the lowest LCOE generation source at \$.04 - \$.08 / kWh<sup>(1)</sup>

- TerraForm able to acquire projects in core markets
- Wind will significantly increase TERP's acquisition opportunities
- **624 MW of new capacity closed or signed by TerraForm since IPO from third parties**

Source: IHS and GTM Research

1. Lazard research estimates.
2. Includes only European markets (other than UK).

# Best-in-Class Dividend Target Growth Profile

- Guidance DPS
- Target DPS



Note: Dividend per share numbers include the impact of First Wind acquisition.

# Best-in-Class Dividend Target Growth Profile

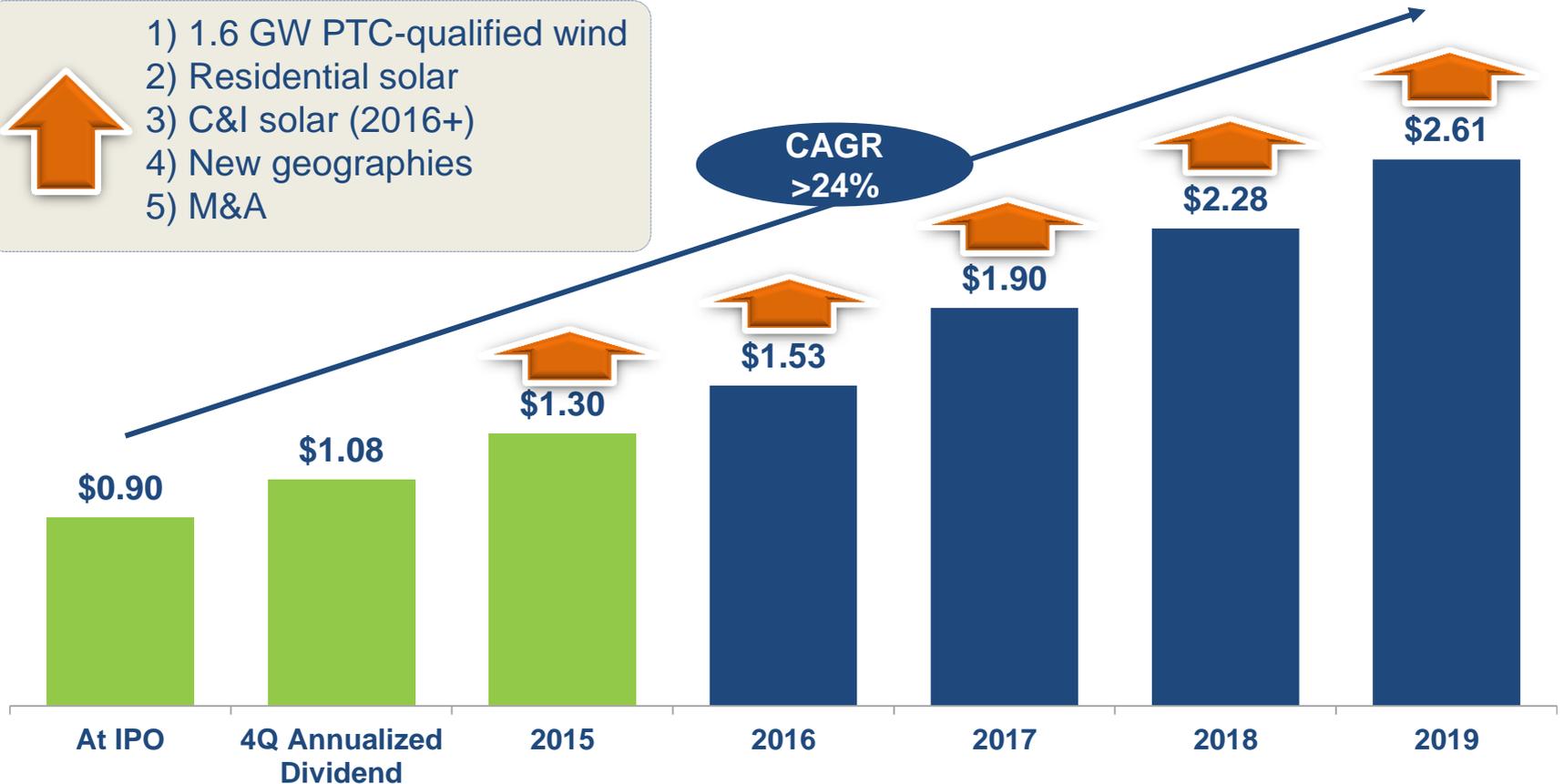
 Guidance DPS

 Target DPS



- 1) 1.6 GW PTC-qualified wind
- 2) Residential solar
- 3) C&I solar (2016+)
- 4) New geographies
- 5) M&A

**CAGR  
>24%**



**Execution**



**CAFD Growth**



**DPS Growth**

Note: Dividend per share numbers include the impact of First Wind acquisition.



# VALUE CREATION

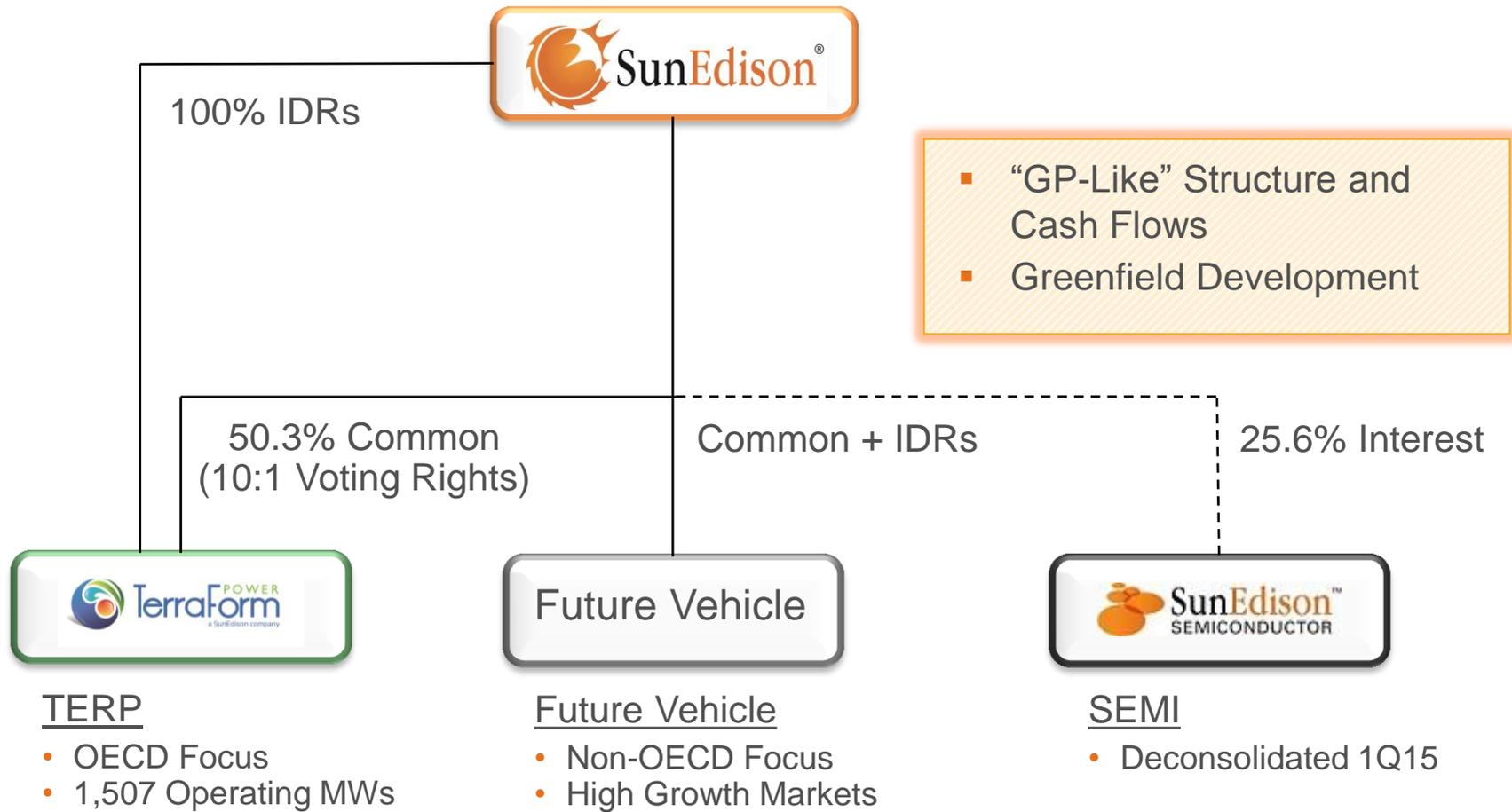
Brian Wuebbels



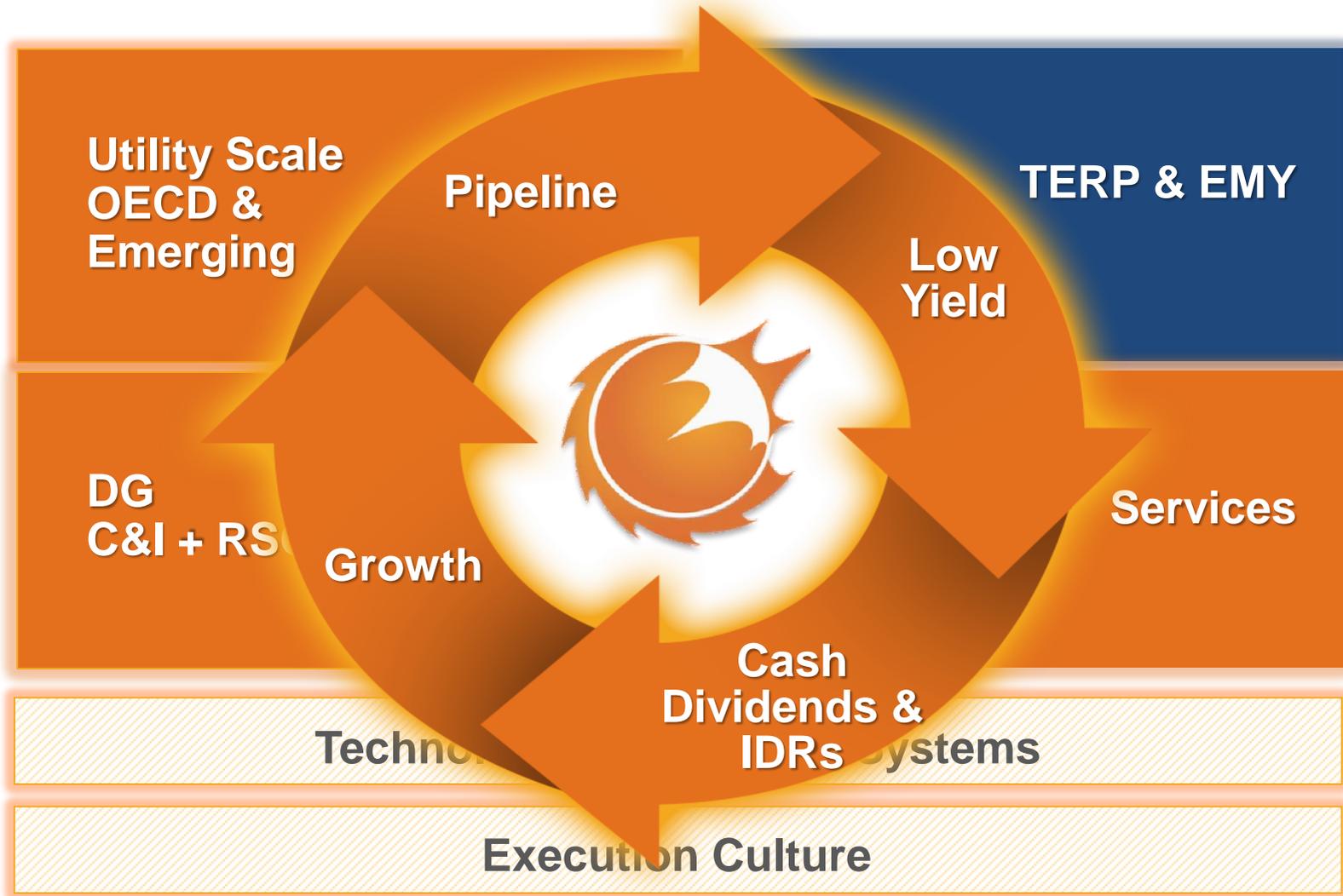


***SunEdison is transforming into a renewable energy leader generating significant value via long-term, contracted, low risk, recurring cash flows.***

# SUNE Structure



# SunEdison Platform: Virtuous Cycle of Value Creation and GP-Like Structure



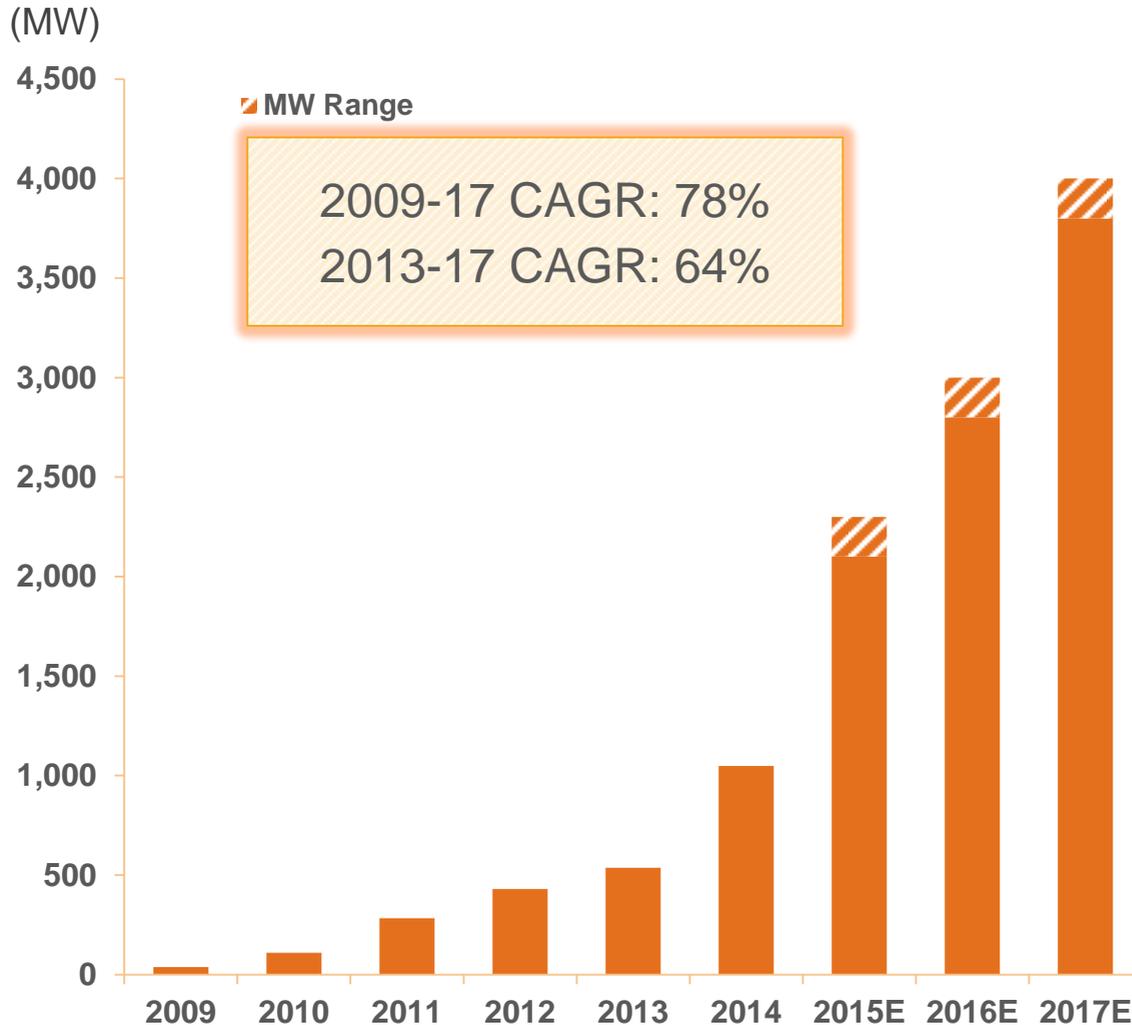
# Execution: Operational and Corporate Excellence



## Recent Accomplishments:

- Doubled MW Installed
- Grew Pipeline over 1.5 GW
- >5.0 GW under Management
- 1st Poly out of SMP
  
- SEMI IPO
- TERP IPO
- EMYCo Confidential S-1
  
- Silver Ridge Acquisition
- First Wind Acquisition

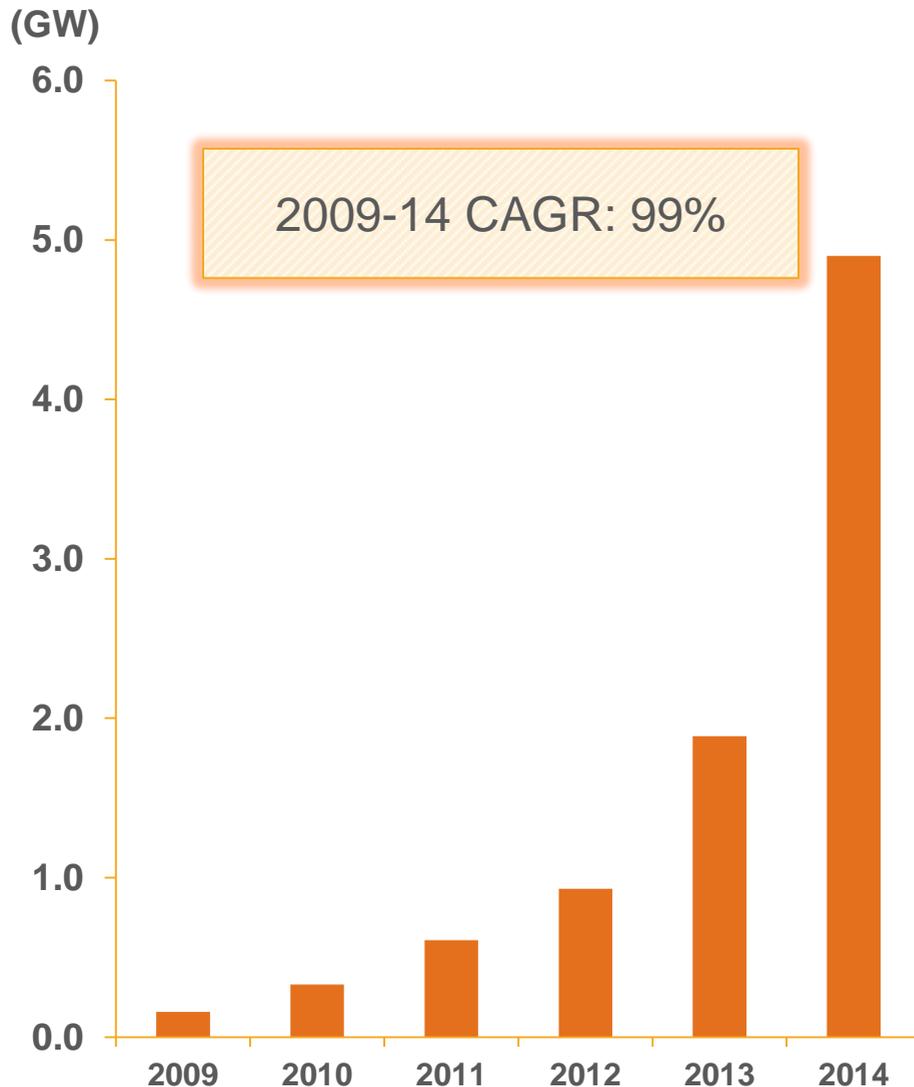
# Execution and Scale: Successful Track Record of Platform Growth



## Platform Growth:

- Organic development to deliver greater than 10 GW of assets owned by 2017
- Dividends and IDRs for SUNE

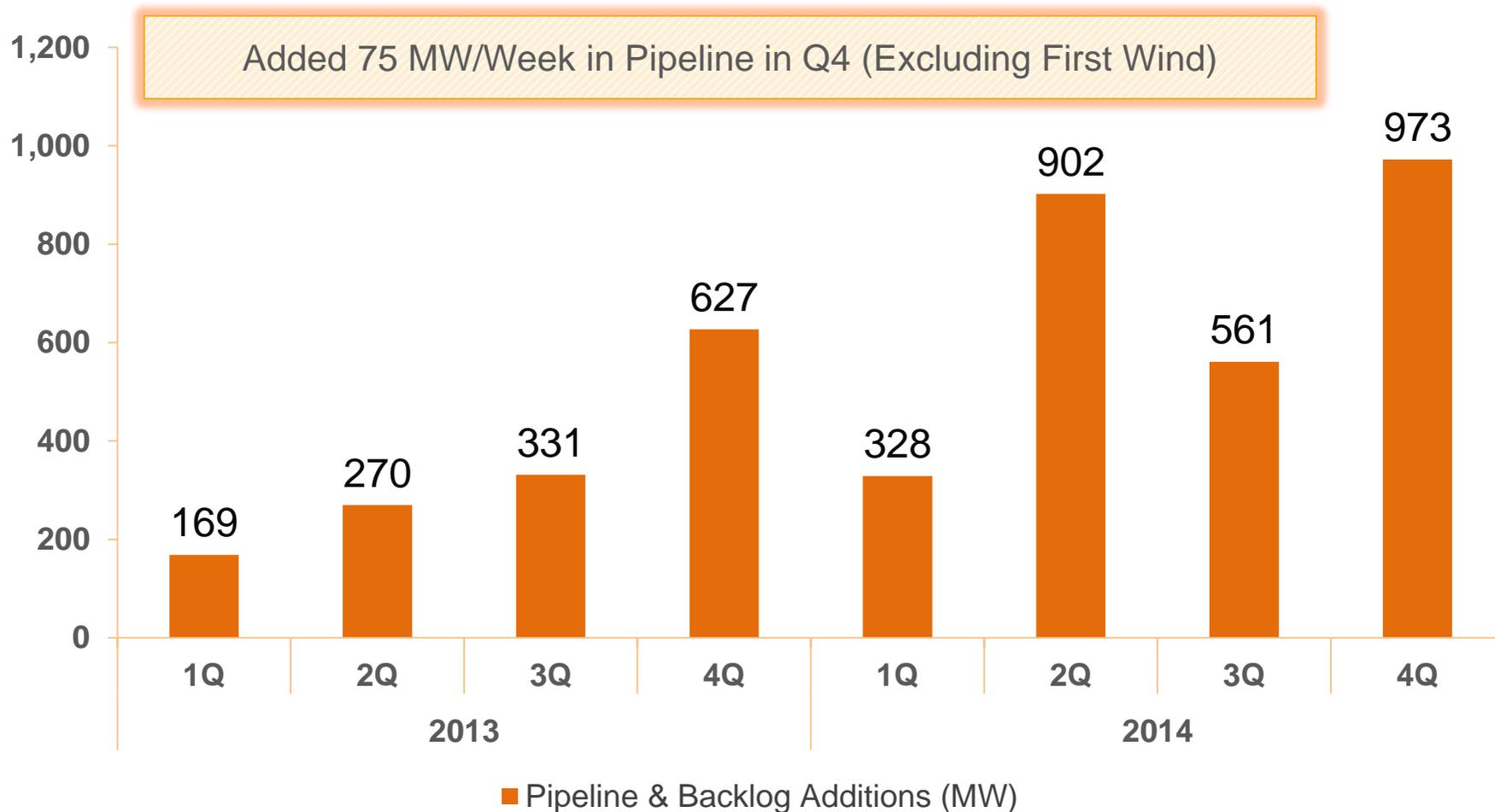
# Scale: Services 5 GW Under Management



## Servicing:

- Continued rapid growth
- Added wind capabilities
- Servicers of all TERP and future vehicles assets
  - Organic & Inorganic
- 3rd party growth

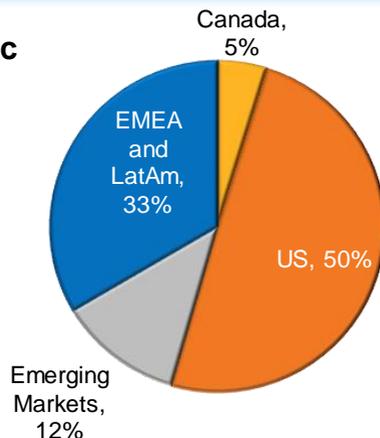
# Execution: Pipeline & Backlog Additions



# Pipeline and Backlog w/ First Wind

## Solar Q4 2014

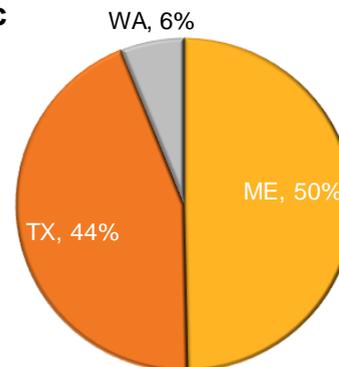
5.7 GW-dc



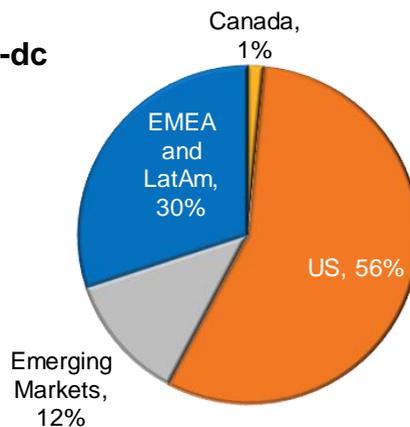
Pipeline

## Wind Q4 2014

1.0 GW-ac

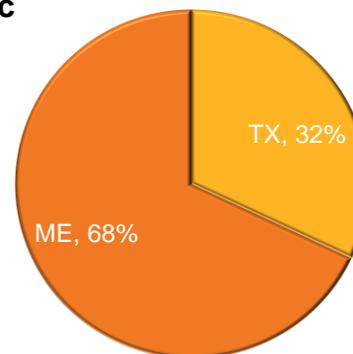


3.0 GW-dc



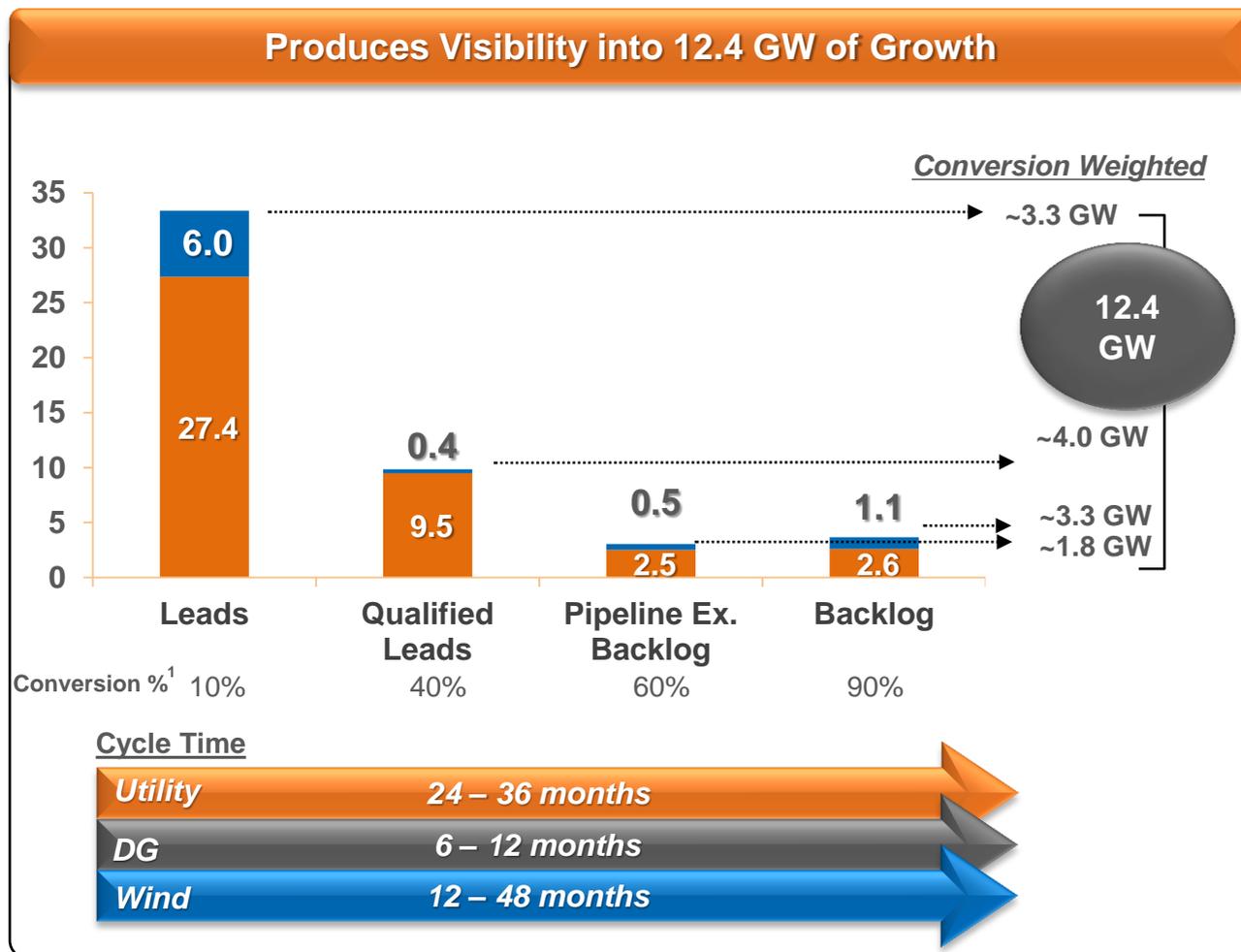
Backlog

0.6 GW-ac



Solar BL/PL acquired in First Wind transaction is included in Solar

# Development Engine: 50 GW In Play

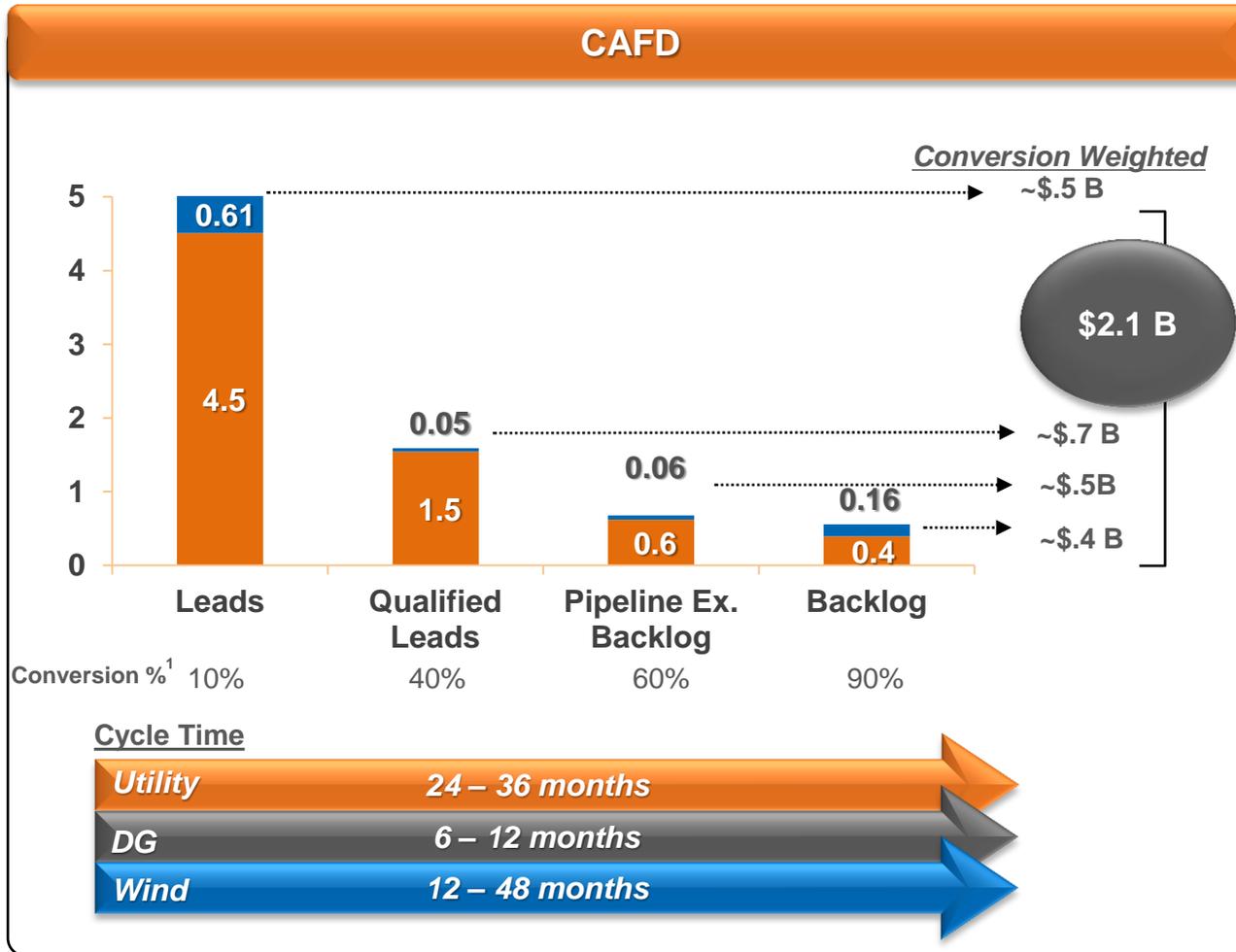


- 50 GW of opportunities
- 12.4 GW of conversion weighted opportunities
- Organic opportunities driving robust growth
- Excludes RSC and most future C&I
- Excludes India MOUs and JIC

<sup>1</sup> Conversions based on SunEdison's historical conversion rates from each category

<sup>2</sup> Total Pipeline equals 6.7 GW and excludes Qualified Leads and Leads

# Development Engine: \$8 Billion CAFD in Play



- Anticipated CAFD Conversion of \$2.1 Billion
- \$2.1 Billion is 19x the amount of CAFD of Terraform's IPO
- Organic opportunities driving robust growth
- Excludes RSC and most future C&I
- Excludes India MOUs and JIC

<sup>1</sup> Conversions based on SunEdison's historical conversion rates from each category

<sup>2</sup> Total Pipeline equals \$1.2 B and excludes Qualified Leads and Leads

# Drop Down Example: SUNE Perspective



Development

# MWs



Asset Ownership

PPA  
\$/kWh

Incentives

ASP \$/W  
(FMV)

COGS \$/W

OPEX \$/W

O&M GM  
(+)

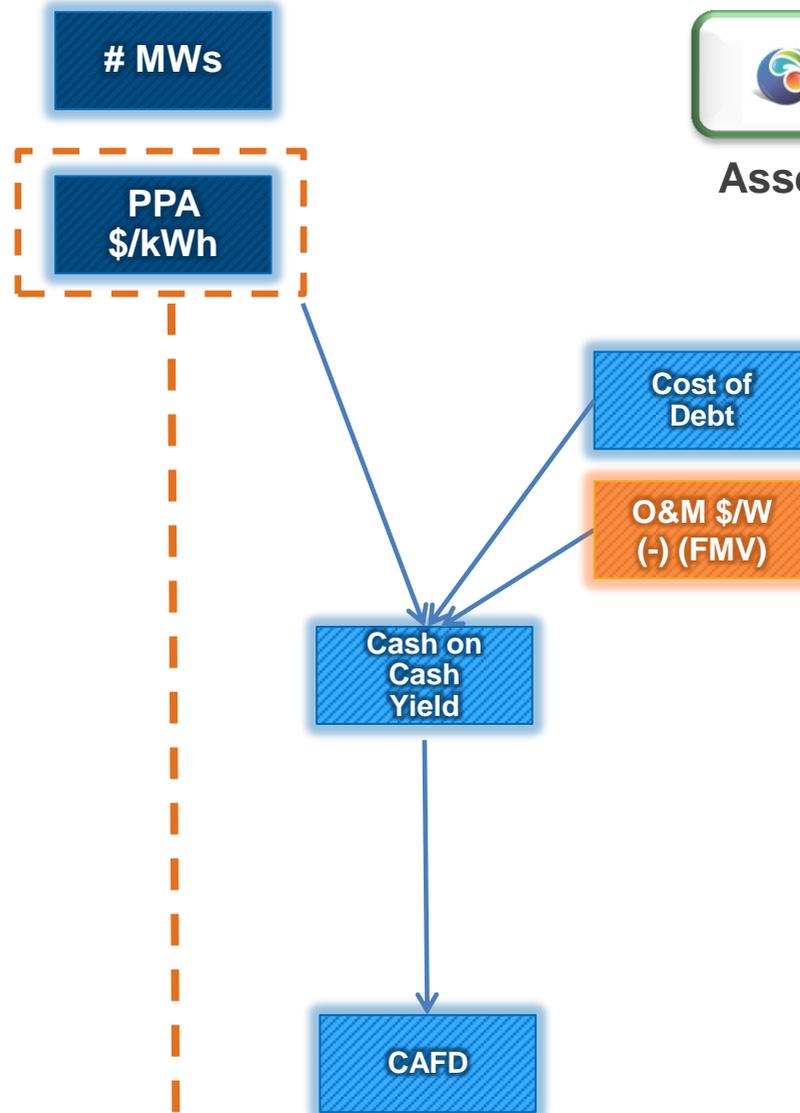
# Drop Down Example: TERP Perspective



Development



Asset Ownership



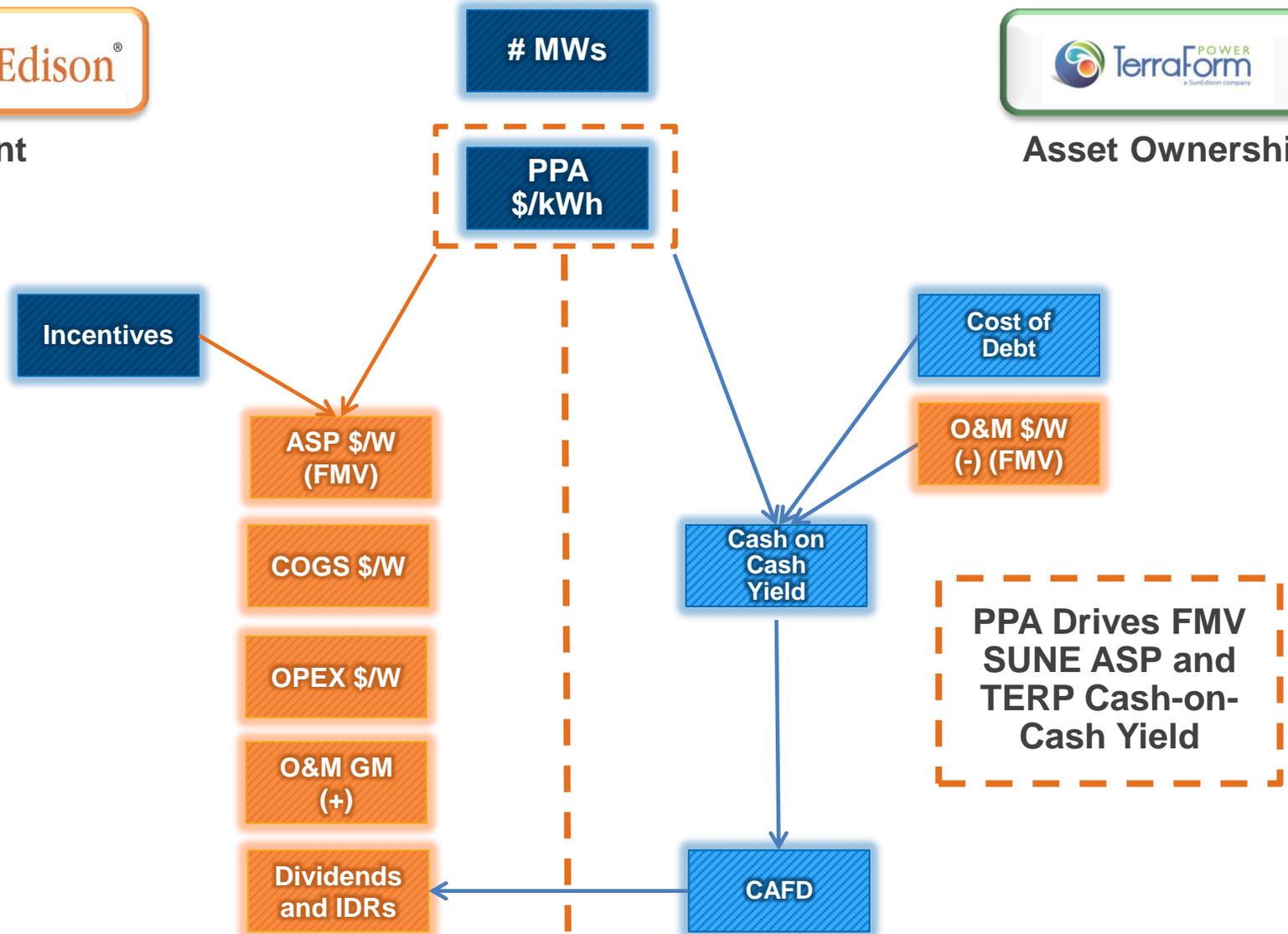
# Drop Down Example: Platform Perspective



Development



Asset Ownership



# Q4 TERP Drop Downs



Development

# MWs

76 MW



Asset Ownership

PPA<sup>1</sup>  
\$/kWh

\$.18/kWh

30%

Incentives<sup>2</sup>

\$2.21/W

ASP \$/W  
(FMV)

\$1.71/W

COGS \$/W

\$.35/W

OPEX \$/W

\$.01/W/Yr

O&M GM  
(+)

Dividends  
and IDRs

Cost of  
Debt

6%

O&M \$/W  
(-) (FMV)

\$.02/W/Yr

Cash on  
Cash  
Yield

9%

CAFD

\$10.6/yr



# Drop Down Simplified Accounting Example

	Proforma
	
Revenue	\$167
COGS	\$130
Gross Margin	\$37
Operating Cash flows	\$173
Investing Cash flows	-\$130
Financing Cash flows	\$0
Change in Cash	\$43

# Drop Down Simplified Accounting Example

	Proforma 	Reported 
Revenue	\$167	\$16
COGS	\$130	\$3
Gross Margin	\$37	\$13
Operating Cash flows	\$173	\$13
Investing Cash flows	-\$130	-\$167
Financing Cash flows	\$0	\$156
Change in Cash	\$43	\$2

Pro-Forma 3<sup>rd</sup> Party Additional Details in the Appendix

# Drop Down Simplified Accounting Example

	Proforma 	Reported 	Eliminations
Revenue	\$167	\$16	-\$167
COGS	\$130	\$3	-\$130
Gross Margin	\$37	\$13	-\$37
Operating Cash flows	\$173	\$13	-\$173
Investing Cash flows	-\$130	-\$167	\$167
Financing Cash flows	\$0	\$156	\$6
Change in Cash	\$43	\$2	\$0

Pro-Forma 3<sup>rd</sup> Party Additional Details in the Appendix

# Drop Down Simplified Accounting Example

	Proforma 	Reported 	Eliminations	Reported 
Revenue	\$167	\$16	-\$167	\$16
COGS	\$130	\$3	-\$130	\$3
Gross Margin	\$37	\$13	-\$37	\$13
Operating Cash flows	\$173	\$13	-\$173	\$13
Investing Cash flows	-\$130	-\$167	\$167	-\$130
Financing Cash flows	\$0	\$156	\$6	\$162
Change in Cash	\$43	\$2	\$0	\$45

Pro-Forma 3<sup>rd</sup> Party Additional Details in the Appendix



# Development Standalone Cash Creation

## Quarterly Exit Rate

	2015	2016
<b>MWs Completed</b>	750	1,000
<b>Development Gross Margin (Cash)</b>	\$300	\$400
<b>Services Gross Margin (Cash)</b>	\$7	\$8
<b>OPEX</b>	\$165	\$200
<b>Devco Cash Flow (Pre WC)</b>	\$142	\$208

# SUNE Group Cash Flow

## Quarterly Exit Rate

	2015	2016
Devco Cash Flow	\$142	\$208
TERP Dividends	\$21	\$26
TERP IDRs	\$2	\$7
Non-OECD Dividends & IDRs	TBD	TBD
Parent Recourse Cash Interest	(\$25)	(\$25)
Materials/Poly Gross Margin (Cash)	(\$30)	\$0
<b>Total SUNE</b>	<b>\$110</b>	<b>\$216</b>

# Working Capital

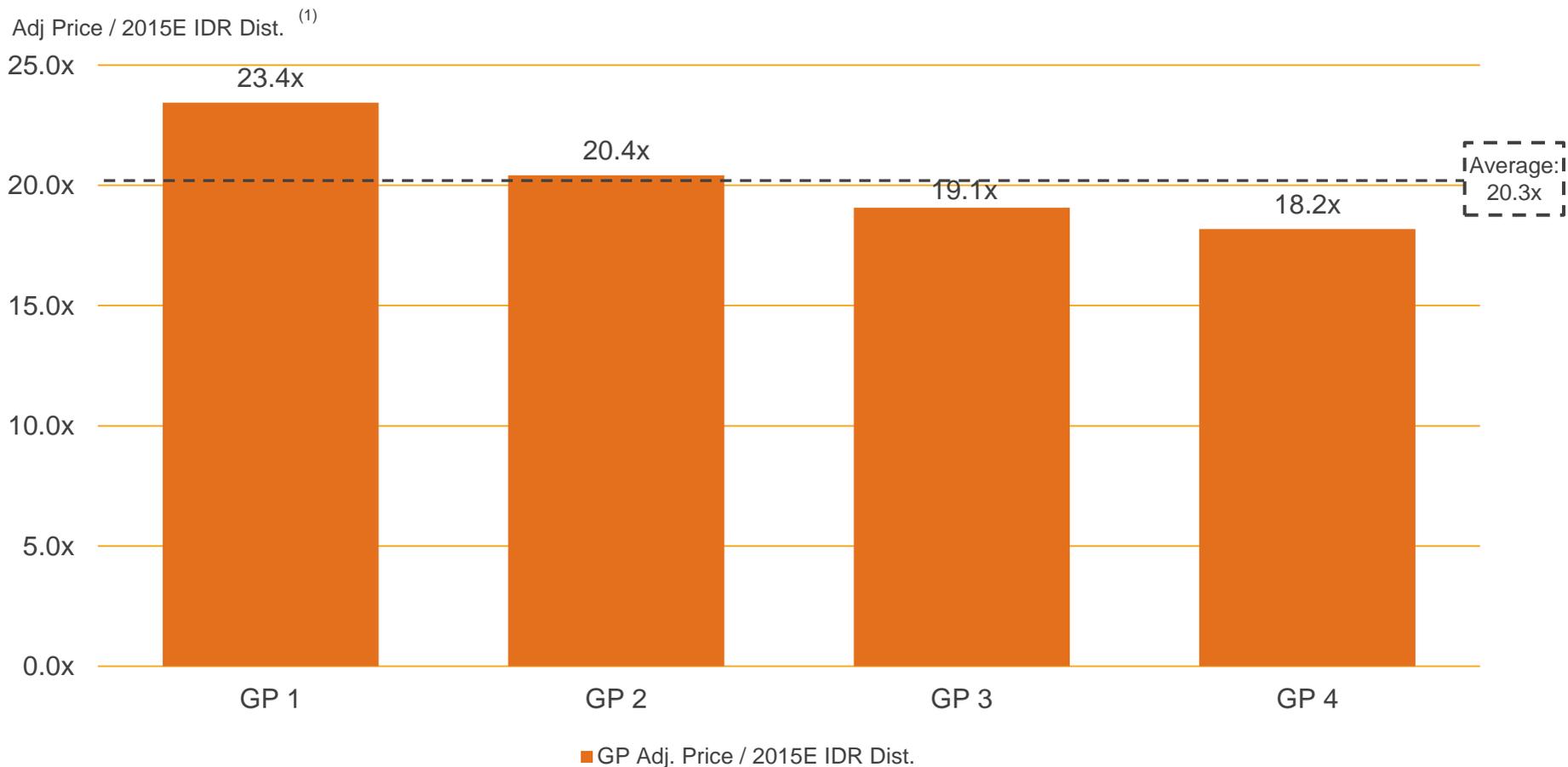
- Experienced Capital Markets Team
- Achieved 2014 growth with limited incremental SUNE equity need
- Capital markets team working on additional warehouse to satisfy growth capital requirements

	2014	Current	Future
System Installs	1GW	2.2GW	4GW
Total Install Cost	\$2B	\$4B	\$6B
Warehouse Capacity	\$0	\$1.5B	Expand
Net SUNE Cost	\$2B	\$2.5B	Improve
SUNE NWC	\$500M	\$625M	Improve

Footnote: Non-Warehouse projects assumes 75% Debt

# GP Trading Comps

## GP Equity Valuation Based on IDR Distributions

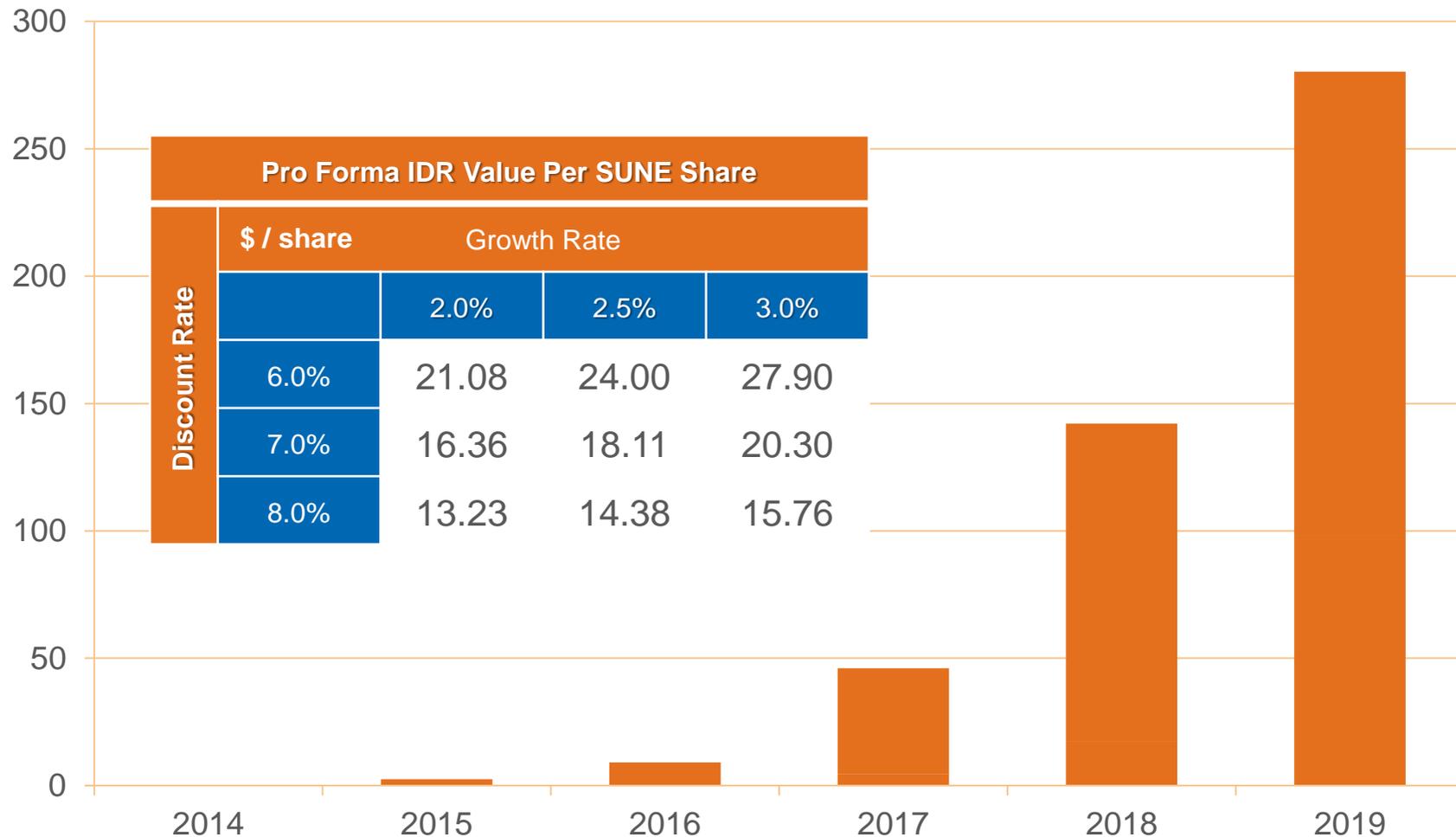


Source: Wall Street Estimates.

1. GP equity value adjusted to exclude the equity value of the LP units held by the GP, as well as other businesses at the GP level. 2015E IDR Distributions includes only cash flows associated with the IDRs (i.e., excludes dividends associated with the LP units held by the GP).

# Value of SunEdison's Interest in TERP – IDR's

(\$ millions)



Note: NPV calculation based on a 7.0% cost of equity and 2.5% perpetuity growth assumption; assumes no taxes.



# GP-Only Cash Flows

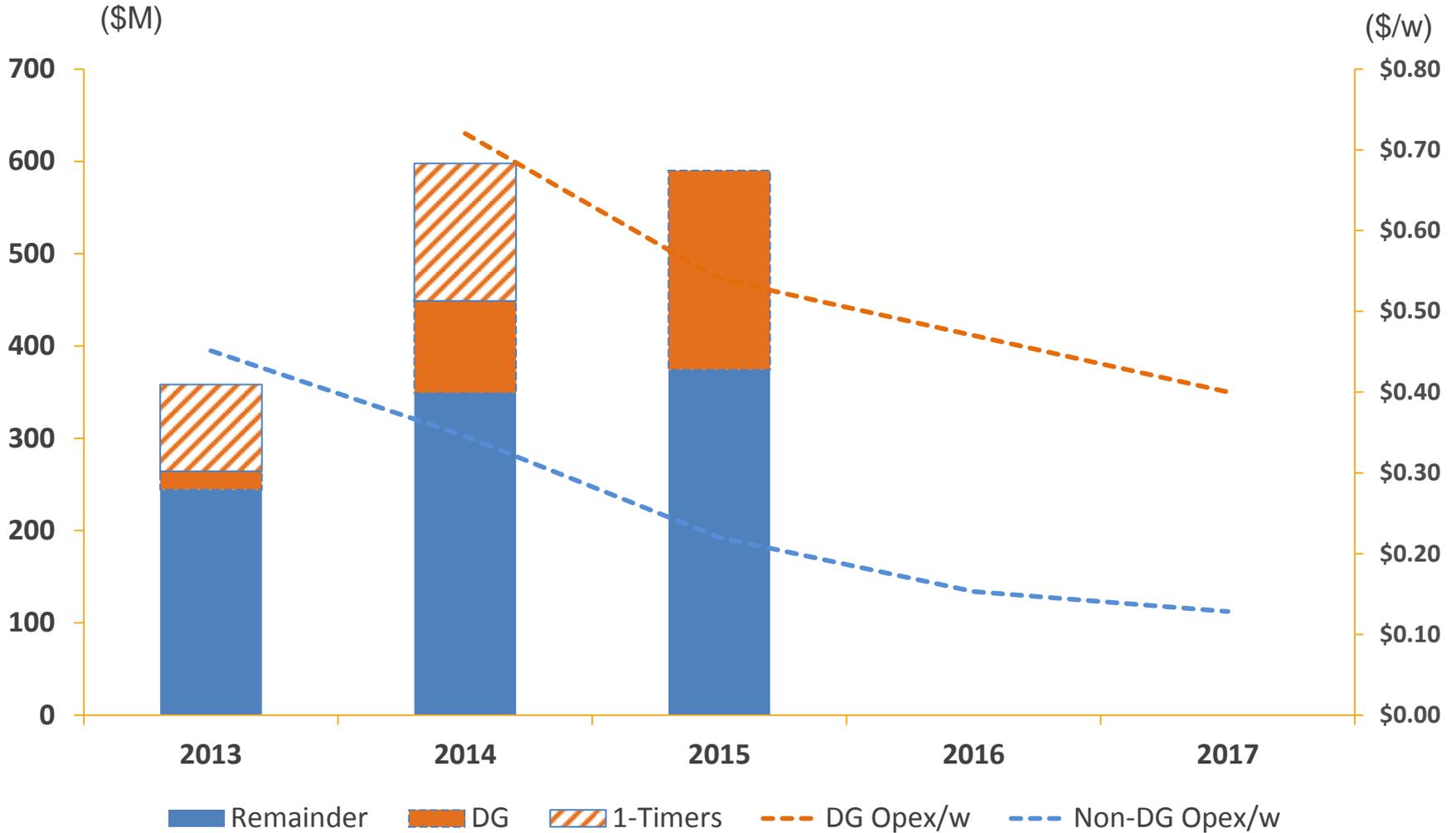
GP Cash Flows					
\$/M	2015	2016	2017	2018	2019
TERP Dividends	82	96	119	143	164
TERP IDRs	2	9	46	142	280
Total TERP	84	105	165	285	444
GP Cash Flows (\$/SUNE Share)	0.32	0.40	0.63	1.09	1.69
Non-OECD Dividends & IDRs	TBD	TBD	TBD	TBD	TBD
Total GP Cash Flows	TBD	TBD	TBD	TBD	TBD



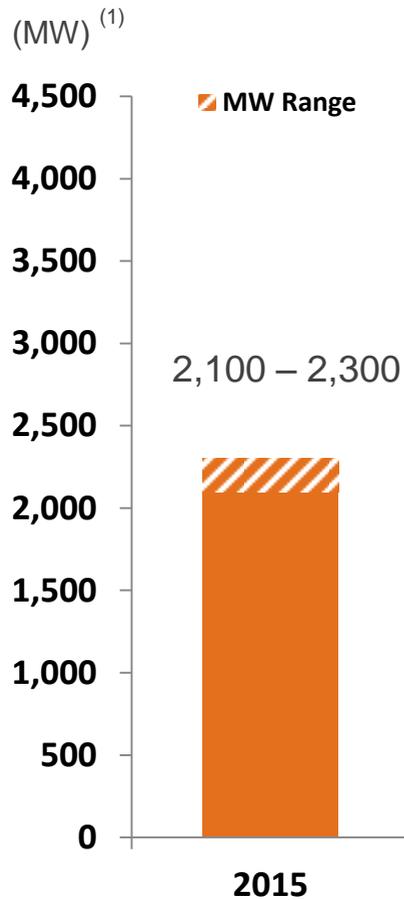
# OUTLOOK



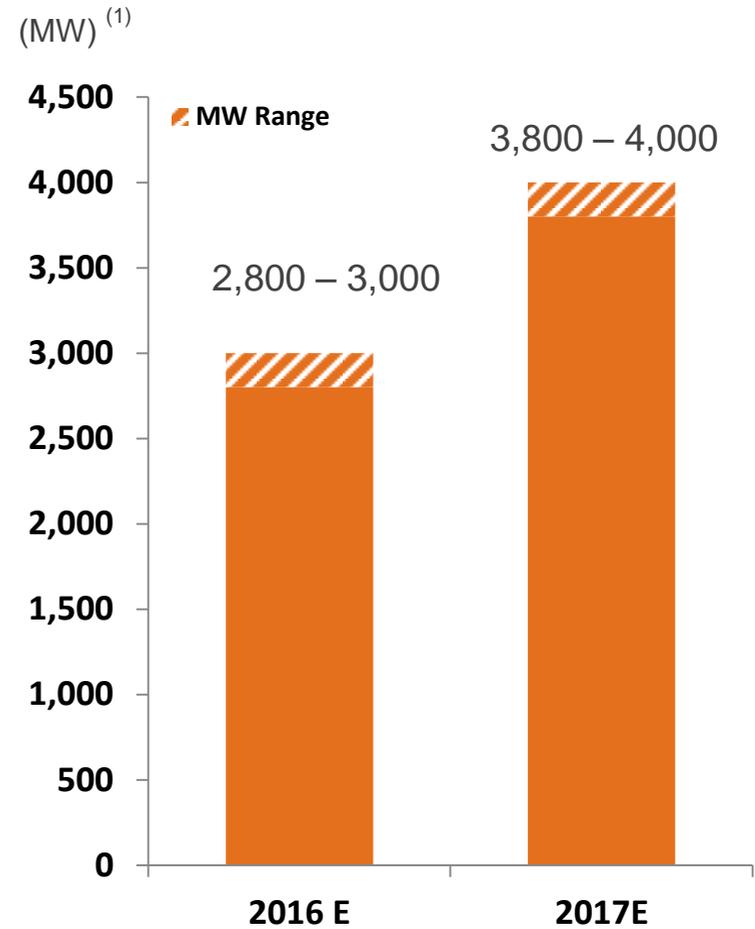
# OPEX Outlook



# 2015 MW Guidance and Future Outlook



Guidance



Future Outlook

Note: Unaudited

# 2015 Guidance

Key Metrics	Forecast	
	1Q'15	FY 15
3 <sup>rd</sup> Party Sales MW	75-90	260-300
Retained MW	145-160	1,840-2,000
Total MW	220-250	2,100-2,300
Unlevered Annualized CAFD for Retained MW (\$M)	22-26	275-325

# 2015 MW Breakdown

MW	2015
Total MW	2,100 – 2,300
Third Party Sales	260 – 300
TERP Drops	375 – 425
Retained OECD	1,100 – 1,140
Non-OECD Retained	365 – 435

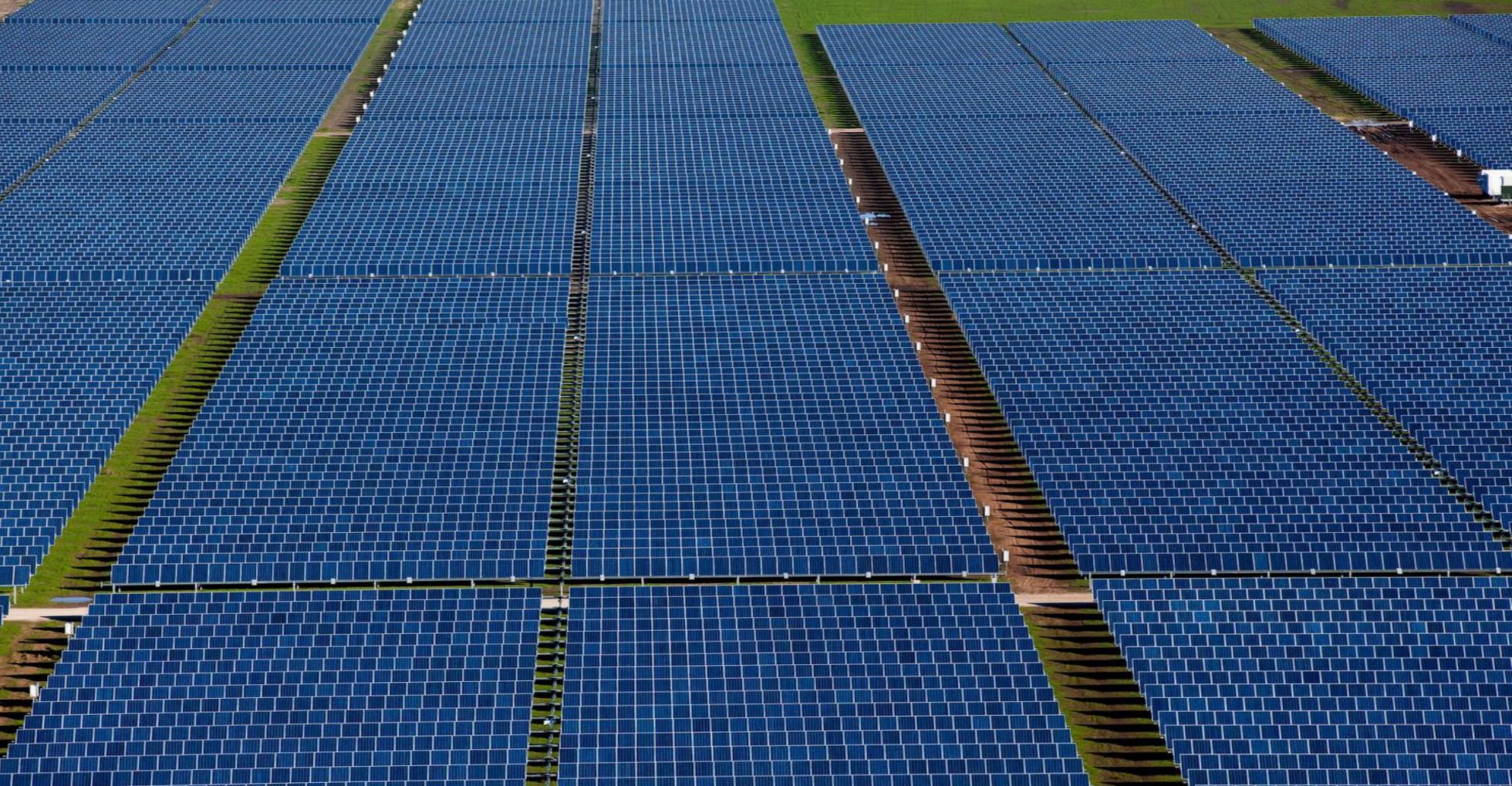
# SUNE Business Model Evolution

DEVCO				Future		Value
	Approach	2012-2013	Today			
Installs	Profitable Growth	0.5GW	2.2GW	4+GW (\$600M CAFD) (\$.40/w gm; \$.20/w OPEX; 15X)		\$12B
Services	Profitable Growth	1GW	5GW	20GW		\$2B
VEHICLES				Future		Value
	Approach	2012-2013	Today			
OECD Dividends	Multi-Channel, Multi-Geo		N/A	Per TERP Guidance		\$3.2 B
OECD IDRs	Profitable Growth		N/A	High Split		\$4.9 B
TERP Upside	Disciplined Underwriting	N/A	Launch	RSC; M&A: JPN		TBD
Non-OECD		Build PL/BL	Global Yieldco	Significant Growth		TBD
OTHER				Future		Value
	Approach	2012-2013	Today			
SEMI	Divest		IPO, \$600M value	Divest		\$.2B
Materials/Poly	Restructure	(\$120M)/yr	(\$120M)/yr	\$0/yr		\$1.5B
Technology Licensing	Asset-light	SMP	SMP + MOUs	1-2 License Agreements		\$1B



# Q&A





# APPENDIX



# Key Metrics (Non-GAAP)

(\$'s in millions)

Actuals						
	1Q'14	2Q'14	3Q'14	4Q'14	FY	

## Solar Energy Segment (ex TERP)

Total Revenue	372	343	279	380	1,374	
3rd Party System Sales	227	180	149	239	795	
Materials	107	111	71	84	373	
Services / Energy	37	53	60	56	206	
Gross Margin	13	5	32	32	82	
Drivers:						
3rd Party System Sales	35	17	37	54	142	
Materials / Poly	(40)	(36)	(36)	(36)	(148)	
Memo: Foregone Revenue	181	502	663	656	2,002	
Memo: Foregone Margin	25	145	180	130	480	

## TERP

Total Revenue			53	43	96	
Gross Margin			23	11	34	

Note: Foregone Revenue and Foregone Margin include balance sheet projects, projected contributed as part of TERP's initial IPO portfolio and projects dropped into TERP. Net of Intercompany eliminations





# Accounting Considerations

# Illustrative Terraform Accounting

	Parent (Standalone)			TerraForm		
	P&L	Cash Flow	Balance Sheet	P&L	Cash Flow	Balance Sheet
<b>Project Acquisitions</b>				PPA and Energy Incentive Revenue recorded over project life after acquisition	Investing outflow for purchase price of acquisitions	Assets and liabilities recognized at acquisition date at fair value
<b>Developed Projects</b>	No revenue recorded for projects developed for TerraForm	Cash outflows in investing section during project construction	Projects developed and held in fixed assets until transferred to TerraForm	PPA and Energy Incentive Revenue recorded over project life	PPA and Energy Incentive Revenue reported in operating cash flow	
<b>Project Transfers</b>	No revenue recorded for projects dropped down to TerraForm	Proceeds from drop down to TerraForm reported in financing; eliminated in consolidation			Cash paid to Parent for drop down reported as investing cash flow	Assets dropped down to TerraForm accounted for at Parent's cost
<b>Debt</b>	Interest expense for construction debt	Debt proceeds and repayments reported in financing section	Non-recourse project debt transferred to TerraForm with associated project	Interest expense for project and corporate debt	Separate TerraForm debt facility for system acquisitions and operating needs	Separate TerraForm debt facility for system acquisitions and operating needs
<b>Dividends</b>		Dividends received from TerraForm reported in financing section			Dividends paid quarterly and net external dividend recorded in financing section	

# Drop-Down Accounting Rules

---

- Due to SUNE's consolidation of TERP, for accounting purposes, the sale of a renewable energy project by SUNE DevCo to TERP ("drop-downs") is considered to be a transaction between entities under common control.
- U.S. GAAP precludes entities from recognizing gains/losses resulting from transactions between entities under common control (therefore, SUNE will not recognize revenue or COGS from the drop-down of projects to TERP).
- Instead, U.S. GAAP requires such transactions to be accounted for at historical cost (i.e., net book value at the transaction date).
- Any difference between the fair value of the consideration received and the book value of assets transferred (i.e., cash margin) is required to be accounted for as an equity transaction.

# Drop-Down Example: Assumptions

---

- SUNE DevCo
  - Owns a 50% interest in TERP
  - Assumes 80% Debt in Total Project Cost
  - Develops and constructs projects costing \$130 million
  - Sells projects to TERP for cash of \$167 million (cash margin of \$37 million)
  - Repays \$104 million project debt
- TERP
  - Obtains 3X unlevered CAFD for \$39 million of project acquisition debt
  - Remaining acquisition cost funded by equity
  - Purchases projects from SUNE DevCo for cash of \$130 million
  - Generates Energy revenue of \$16.27 million and incurs COGS of \$2.75 million and opex of \$0.67 million
  - Pays a dividend to shareholders of \$11 million

# Drop-Down Example: Entries (GAAP)

	SUNE DEVCO		TERP	
Obtain project construction debt	DR. CASH	134		
	CR. DEBT		134	
Develop / construct project	DR. SOLAR ENERGY SYSTEMS	130		
	CR. CASH		130	
Obtain project acquisition financing			DR. CASH	39
			CR. DEBT	39
			DR. CASH	128
			Cr. EQUITY	128
Sell project to TERP	DR. CASH	167	DR. SOLAR ENERGY SYSTEMS	130
	CR. INVESTMENT IN TERP	37	DR. EQUITY	37
	CR. SOLAR ENERGY SYSTEMS	130	CR. CASH	167
Repay project debt	DR. DEBT	134		
	CR. CASH			134
Generate / incur PPA revenue / costs			DR. OPEX	1
			DR. COGS	3
			DR. CASH	12
			CR. REVENUE	16
Pay dividend	DR. CASH	5	DR. EQUITY	10
	CR. INVESTMENT IN TERP	5	CR. CASH	10

# Drop-Down Example: Financials (GAAP)

	SUNE DEVCO	TERP	ELIM	SUNE Consolidated
CASH	42	2	-	44
INVESTMENT IN TERP	(42)	-	42	-
SOLAR ENERGY SYSTEMS	-	130	-	130
ASSETS	<u>-</u>	<u>132</u>	<u>42</u>	<u>174</u>
Project Debt	-	39	-	39
LIABILITIES	<u>-</u>	<u>39</u>	<u>-</u>	<u>39</u>
NCI				46
SUNE EQUITY				89
EQUITY	<u>-</u>	<u>93</u>	<u>42</u>	<u>135</u>
LIABILITIES & EQUITY	<u>-</u>	<u>132</u>	<u>42</u>	<u>174</u>
REVENUE	-	16	-	16
COGS	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>
Gross Margin	<u>-</u>	<u>13</u>	<u>-</u>	<u>13</u>
OPEX	-	1	-	1
OP INC	<u>-</u>	<u>12</u>	<u>-</u>	<u>12</u>
INCOME ATTRIBUTABLE TO NCI				(6)
INCOME ATTRIBUTABLE TO SUNE				<u>6</u>
OPERATING CASH FLOWS	-	12	-	12
INVESTING CASH FLOWS	(130)	(167)	167	(130)
FINANCING CASH FLOWS	172	157	(167)	162
INCREASE / DECREASE IN CASH	<u>42</u>	<u>2</u>	<u>-</u>	<u>44</u>

## Drop-Down Example: SUNE DevCo P&L

---

- Under GAAP, the SUNE DevCo cash margins do not appear on the Solar Energy Segment P&L.
- Adjusting the SUNE DevCo P&L to the Pro-Forma 3rd Party requires an adjustment to add back the difference between the agreed-upon sales price (subject to independent valuation) and SUNE DevCo's cost.
- These data points can be presented in aggregate for the reporting period.

# Drop-Down Example: Entries (“Pro-Forma 3<sup>rd</sup> Party”)

	SUNE DEVCO		TERP	
Obtain project construction debt	DR. CASH	134		
	CR. DEBT		134	
Develop / construct project	DR. SOLAR ENERGY SYSTEMS	130		
	CR. CASH		130	
Obtain project acquisition financing			DR. CASH	39
			CR. DEBT	39
			DR. CASH	128
			Cr. EQUITY	128
Sell project to TERP	DR. CASH	167	DR. SOLAR ENERGY SYSTEMS	167
	DR. COGS	130	CR. CASH	167
	CR. REVENUE			167
	CR. SOLAR ENERGY SYSTEMS			130
Repay project debt	DR. DEBT	134		
	CR. CASH		134	
Generate / incur PPA revenue / costs			DR. OPEX	1
			DR. COGS	3
			DR. CASH	12
			CR. REVENUE	16
Pay dividend	DR. CASH	5	DR. EQUITY	10
	CR. INVESTMENT IN TERP		CR. CASH	10

# Drop-Down Example: Financials (“Pro-Forma 3<sup>rd</sup> Party”)

	PRO FOMA SUNE DEVCO	TERP	ELIM	SUNE Consolidated
CASH	42	2	-	44
INVESTMENT IN TERP	(5)	-	5	-
SOLAR ENERGY SYSTEMS	-	167	(37)	130
ASSETS	<u>37</u>	<u>169</u>	<u>(32)</u>	<u>174</u>
Project Debt	-	39	-	39
LIABILITIES	-	39	-	39
NCI				65
SUNE EQUITY				70
EQUITY	<u>37</u>	<u>130</u>	<u>(32)</u>	<u>135</u>
LIABILITIES & EQUITY	<u>37</u>	<u>169</u>	<u>(32)</u>	<u>174</u>
REVENUE	167	16	(167)	16
COGS	<u>130</u>	<u>3</u>	<u>(130)</u>	<u>3</u>
Gross Margin	<u>37</u>	<u>13</u>	<u>(37)</u>	<u>13</u>
OPEX	-	1	-	1
OP INC	<u>37</u>	<u>12</u>	<u>(37)</u>	<u>12</u>
INCOME ATTRIBUTABLE TO NCI				<u>(6)</u>
INCOME ATTRIBUTABLE TO SUNE				<u>6</u>
OPERATING CASH FLOWS	172	12	(172)	12
INVESTING CASH FLOWS	(130)	(167)	167	(130)
FINANCING CASH FLOWS	-	157	5	162
INCREASE / DECREASE IN CASH	<u>42</u>	<u>2</u>	<u>-</u>	<u>44</u>