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- a reduction in the price of natural gas, including as a result of new drilling techniques or a relaxation of associated regulatory standards; and
- the development of new clean energy technologies.

An increase in the availability of electricity or reduction in retail electricity prices in our target markets would make the purchase of solar or wind energy, as the case may be, less economically attractive. In addition, a shift in the timing of peak rates for utility-supplied electricity to a time of day when solar and wind energy generation is less efficient or not available could make solar or wind energy less competitive and reduce demand. If the availability of energy were to increase or the price of electricity were to decrease in the markets in which we operate, we would be at a competitive disadvantage, we may be unable to attract new customers and our growth may be limited.

Certain of our generation assets operate, partially, without long-term power sale agreements.

Less than 1% of the total expected CAFD of our initial portfolio is not subject to offtake arrangements. We sell the energy produced with respect to this capacity in the merchant power market at the then current market price determined by auction or other variable price determination mechanisms. The price at which we sell energy in these markets varies, sometimes significantly, based on supply and demand. If we are unable to sell energy produced with respect to this capacity on favorable terms, if at all, there may be a material adverse effect on our business, financial condition, results of operations and cash flows.

We are exposed to risks associated with the projects in our initial portfolio and the call right projects that are newly constructed or are under construction.

Our expectations for the operating performance of newly constructed projects and projects under construction are based on assumptions and estimates made without the benefit of operating history. Projections contained in this prospectus regarding our ability to pay dividends to holders of our Class A common stock assume such projects perform to our expectations. However, the ability of these projects to meet our performance expectations is subject to the risks inherent in newly constructed power generation facilities and the construction of such facilities, including, but not limited to, degradation of equipment in excess of our expectations, system failures and outages. The failure of these facilities to perform as we expect could have a material adverse effect on our business, financial condition, results of operations and cash flows and our ability to pay dividends to holders of our Class A common stock.

Additionally, certain of the projects in our initial portfolio and certain of the call right projects are still in development or under construction. Specifically, our initial portfolio includes five projects representing an aggregate of 128.2 MW that will be contributed to us by our Sponsor and three projects representing an aggregate of 158.4 MW that are part of the Pending Acquisitions that are still under construction and are all expected to reach COD by the end of 2015. We may experience delays or unexpected costs during the completion of construction of these projects, and if any project is not completed according to specification, we may incur liabilities and suffer reduced project efficiency, higher operating costs and reduced cash flows. For example, the tariff payable under the PPA associated with our 82.0 MW solar project located in Honduras (Choluteca) will be decreased by approximately 24% over its term in the event that the project is not connected to a transmission network or does not meet other technical criteria by the end of July 2015. Our call right projects that are in development or under construction may not be completed on schedule or at all, in which case any such project would not be available for acquisition by us during the time frame we currently expect or at all. Since our primary growth strategy is the acquisition of new clean energy projects, including under the Support Agreement, a delay in our ability to acquire a call right project could materially and adversely affect our expected growth.