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- renewable power 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 national, provincial, state or local 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 low cost and low environmental impact compared to other fossil fuel sources, such as coal and oil.

Project operations and generation

Our revenue is primarily a function of the volume of electricity generated and sold by our projects. Our initial portfolio of power generation assets is generally contracted under long-term PPAs with creditworthy counterparties. As of March 31, 2015, the weighted average remaining life of our PPAs was 19 years. In most instances, pricing of the electricity sold under these PPAs is contracted for the duration of the contract. We also expect that certain of our PPAs will have price escalators based on an index (such as the consumer price index) or other rates specified in the applicable PPA.

We define "project availability" as the actual amount of time a power generation asset is available to produce electricity divided by the amount of time during the defined measurement period, after excluding the duration of events such as 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 projects. The volume of electricity generated and sold by our projects during a particular period is also impacted by the number of projects that have commenced commercial operations, scheduled and unexpected repair and maintenance required to keep our projects operational and other factors. Equipment performance often 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 projects. The volume of electricity generated and sold by our projects will be negatively impacted if any projects experience higher than normal downtime as a result of equipment failures, electrical grid disruption or curtailment, weather disruptions, short to medium term weather variations from long-term averages or other events beyond our control.

Generally, over longer time periods, we expect our portfolio will exhibit less variability in generation compared to shorter periods. It is likely that we will experience more generation variability in monthly or quarterly production than we do for annual production. As a result, our periodic cash flows and payout ratios will reflect more variability during periods shorter than a year. While we intend to reserve a portion of our cash available for distribution and maintain a revolving credit facility in order to, among other things, facilitate the payment of dividends to our stockholders, unpredicted variability in generation could result in variability of our dividend payments to the extent we lack sufficient reserves and liquidity.

We use reliable and proven solar panels, inverters and other equipment for each of our solar projects and quality wind turbines, water turbines and other system components for each of our wind and hydro-electric projects. We believe this significantly reduces the probability of unexpected equipment failures. Additionally, through our Management Services Agreement with our Sponsor, one of the world's largest solar and wind energy developers and operators, we have access to significant resources to support the maintenance and operation of our business. We believe our relationship with our Sponsor provides us with the opportunity to benefit from our Sponsor's expertise in solar, wind and hydro-electric technology, project development, finance and management and operations.