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Table of Contents**Components of results of operations***Revenue*

A significant majority of our revenues are obtained through the sale of energy pursuant to terms of PPAs or other contractual arrangements, which have a weighted average (based on megawatts) remaining life of 19 years as of March 31, 2015. PPAs are accounted for as operating leases with no minimum lease payment. Revenue is recorded as income when the electricity is delivered.

*Incentives*

We anticipate receiving performance-based incentives, or "PBIs," from governmental agencies in connection with certain sponsored programs. PBI revenue is generally based on the actual level of output generated from our solar energy systems recognized upon validation of the kilowatt-hours produced from a third-party metering company.

We intend to negotiate and expect to receive upfront incentives or subsidies from various governmental jurisdictions for operating certain of our solar energy systems. When amounts are deferred, they will be recognized as revenue on a straight-line basis over the estimated useful life of the solar energy system.

None of the projects included in our initial portfolio has received any PBIs or other upfront incentives or subsidies that would be classified as incentive revenue in our combined statements of operations.

**Operating costs and expenses***Cost of operations*

Cost of operations is comprised of operations and maintenance expenses incurred in order to operate our solar power generation assets, as well as property and other taxes, property insurance, land leases, rental expense and other licenses. Cost of operations—affiliates represents operation and maintenance services provided under fixed price agreements with affiliates of the Sponsor, which may include annual price increases. Cost of operations—affiliates also includes project-level management administration agreements.

*Depreciation and accretion*

Depreciation expense is recognized using the straight-line method over the estimated useful lives of our solar power generation assets. Accretion expense represents the increase in asset retirement obligations over the remaining operational life of the associated solar power generation assets.

*General and administrative*

Our general and administrative expenses consist primarily of the allocation of general corporate overhead costs from our Sponsor that are attributable to our predecessor operations, "affiliate expenses." These costs include legal, accounting, tax, treasury, IT infrastructure, insurance, employee benefit costs, communications, human resources and procurement. Upon completion of this offering, we anticipate our general and administrative expense to be comprised of the management fee we will pay to our Sponsor for the management and administration services provided to us under the Management Services Agreement and all costs of doing business. See "Certain relationships and related party transactions—Management Services Agreement."

*Interest expense*

Interest expense is comprised of interest incurred under our variable rate financing arrangements and the amortization of deferred financing costs incurred in connection with obtaining construction and term financing, net of amounts capitalized and included in property and equipment, net.