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hydro-electric. This technology-neutral platform enables our open architecture approach, which provides us with the ability to evaluate a broad range of development partnerships and acquisition opportunities and support the rapid growth of our portfolio.

Maintain sound financial practices. We intend to maintain our commitment to disciplined financial analysis and a balanced capital structure. Our financial practices will include: (i) a risk and credit policy focused on transacting with creditworthy counterparties; (ii) a financing policy focused on achieving an optimal capital structure through various capital formation alternatives to minimize interest rates, refinancing risks and tax withholdings; (iii) utilizing derivative financial instruments to minimize our net exposure to currency fluctuations; and (iv) a dividend policy that is based on distributing the CAFD generated by our project portfolio (after deducting appropriate reserves for our working capital needs and the prudent conduct of our business). Our initial dividend was established based on our targeted payout ratio of approximately 85% of projected CAFD. See "Cash dividend policy."

Our competitive strengths

We believe our key competitive strengths include:

Diversity. Our initial portfolio is well diversified in terms of geography, market segment, counterparty, and types of renewable energy technology. We serve utility, commercial, industrial and governmental customers and may serve residential business lines in the future. We have projects located across 11 countries and four continents. Projects in our initial portfolio located in any single country are not expected to represent more than 30% of our projected CAFD for the year ending December 31, 2016, thereby reducing our operating risk profile and reliance on any single market or segment. We utilize several renewable energy technologies, the production profiles of which complement one another, which we believe enables us to generate consistent cash flow. We believe our diverse customer base, geographic presence and technology improves our business development opportunities by enhancing our industry relationships, reputation and understanding of regional power market dynamics.

Portfolio growth opportunities. We believe we will be able to rapidly expand our initial portfolio through several channels. We have significant project acquisition call rights and ROFO rights with our Sponsor. We also expect to have call rights with third-party developers of clean power generation assets, including the Third-Party Call Right Projects. We and our Sponsor have strategically located project origination teams, along with relationships with regionally-focused clean power generation companies, that we believe will facilitate the growth of our project pipeline. We expect to have significant opportunities to expand our project portfolio through additional third-party acquisitions for the foreseeable future.

Stable, high-quality cash flows. Our initial portfolio of projects, together with the call right projects that we acquire, will provide us with a stable, predictable cash flow profile. We sell the electricity generated by our projects under PPAs or similar offtake arrangements, such as feed-in tariff programs, with creditworthy counterparties. As of March 31, 2015, the weighted average (based on megawatts) remaining life of our PPAs was 19 years. All of our projects have highly predictable operating costs, in large part due to solar, wind and hydro-electric facilities having no fuel cost and utilizing reliable technology. We intend to utilize foreign exchange and foreign tax strategies in an effort to mitigate the impact of cross-border costs. Finally, based on our initial portfolio of projects, we do not expect to pay significant U.S. federal income taxes in the near term.

Relationship with SunEdison. We believe our relationship with our Sponsor provides us with significant benefits, including the following:

- **Strong asset development track record.** Our Sponsor has demonstrated a significant track record in developing both solar and, as a result of its acquisition of First Wind, wind energy generation facilities. Over