

Orrick Advises SunEdison, Unit In \$2.4B Wind Power Buy

By **Kat Greene**

Law360, Los Angeles (November 17, 2014, 10:38 PM ET) -- SunEdison Inc. and one of its units will pay \$2.4 billion to buy Boston-based First Wind, making the buyer the world's largest renewable energy development company in a deal advised by Orrick Herrington & Sutcliffe LLP, Cleary Gottlieb Steen & Hamilton LLP and Davis Polk & Wardwell LLP, SunEdison told investors on Monday.

According to a statement from SunEdison and TerraForm Power Inc., the deal would boost cash for distribution at TerraForm to \$72.5 million and expand SunEdison's project installation estimates for the next year.

The deal will increase the generation capacity of TerraForm's portfolio by more than half and expand the company's footprint in Maine, New York, Hawaii, Vermont and Massachusetts, the companies said.

"By bringing together First Wind's proven development and operational capabilities and SunEdison's global corporate infrastructure and renewable energy development and finance experience, we will be well-positioned to capitalize on the significant growth opportunities in the global wind power markets and drive returns to shareholders of both SunEdison and TerraForm Power," SunEdison CEO Ahmad Chatila said in the statement.

All told, the companies will pay \$2.4 billion for First Wind, including \$1.9 billion upfront and a \$510 million earn-out, according to the deal. Of that, SunEdison is paying \$1.5 billion.

SunEdison will pay the earn-out after certain projects in First Wind's backlog are completed, according to the deal. It will also launch a \$1.5 billion nonrecourse warehouse financing facility for projects expected to be dropped down into TerraForm, according to the deal.

TerraForm, which went public in July, will buy First Wind's operating portfolio for \$862 million, according to the deal. TerraForm owns and operates SunEdison's solar power plants.

"This new strategic organization will allow us to join with SunEdison to develop and invest in new, long-term-contracted, well-sited and well-run renewable energy projects that deliver clean energy to homes and businesses across the country and internationally," First Wind CEO Paul Gaynor said in the statement. "We will be able to leverage our strength in development and operations, proven during the completion of 1.5 GW of wind projects over eight years, with two world-class companies."

The companies estimate the deal will close in the first quarter of 2015. They're hosting a meeting for investors at 8 a.m. in New York on Tuesday.

Orrick Herrington & Sutcliffe LLP acted as M&A counsel to SunEdison and TerraForm. Cleary Gottlieb Steen & Hamilton LLP served as counsel to the corporate governance committee of the TerraForm board of directors. First Wind was represented by Davis Polk & Wardwell LLP.

--Editing by Kelly Duncan.

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