UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended September 30, 2019

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File Number: 001-36002

Clearway Energy, Inc.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**46-1777204** (I.R.S. Employer Identification No.)
300 Carnegie Center, Suite 300 **Princeton, New Jersey** (Address of principal executive offices)	**08540** (Zip Code)

(609) 608-1525
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.01	CWEN.A	New York Stock Exchange
Class C Common Stock, par value $0.01	CWEN	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ **No** ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ **No** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ **No** ☒

As of October 31, 2019, there were 34,599,645 shares of Class A common stock outstanding, par value $0.01 per share, 42,738,750 shares of Class B common stock outstanding, par value $0.01 per share, 73,336,990 shares of Class C common stock outstanding, par value $0.01 per share, and 42,738,750 shares of Class D common stock outstanding, par value $0.01 per share.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q of Clearway Energy, Inc., together with its consolidated subsidiaries, or the Company, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The words "believes," "projects," "anticipates," "plans," "expects," "intends," "estimates" and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors, risks and uncertainties include the factors described under Item 1A — *Risk Factors* in Part I, of the Company's Annual Report on Form 10-K for the year ended December 31, 2018, as well as the following:

- Potential risks related to the PG&E Bankruptcy;
- The Company's ability to maintain and grow its quarterly dividend;
- Potential risks related to the Company's relationships with GIP and CEG;
- The Company's ability to successfully transition services previously provided by NRG;
- The Company's ability to successfully identify, evaluate and consummate acquisitions from third parties;
- The Company's ability to acquire assets from GIP or CEG;
- The Company's ability to raise additional capital due to its indebtedness, corporate structure, market conditions or otherwise;
- Changes in law, including judicial decisions;
- Hazards customary to the power production industry and power generation operations such as fuel and electricity price volatility, unusual weather conditions (including wind and solar conditions), catastrophic weather-related or other damage to facilities, unscheduled generation outages, maintenance or repairs, unanticipated changes to fuel supply costs or availability due to higher demand, shortages, transportation problems or other developments, environmental incidents, or electric transmission or gas pipeline system constraints and the possibility that the Company may not have adequate insurance to cover losses as a result of such hazards;
- The Company's ability to operate its businesses efficiently, manage maintenance capital expenditures and costs effectively, and generate earnings and cash flows from its asset-based businesses in relation to its debt and other obligations;
- The willingness and ability of counterparties to the Company's offtake agreements to fulfill their obligations under such agreements;
- The Company's ability to enter into contracts to sell power and procure fuel on acceptable terms and prices as current offtake agreements expire;
- Government regulation, including compliance with regulatory requirements and changes in market rules, rates, tariffs and environmental laws;
- Operating and financial restrictions placed on the Company that are contained in the project-level debt facilities and other agreements of certain subsidiaries and project-level subsidiaries generally, in the Clearway Energy Operating LLC amended and restated revolving credit facility, in the indentures governing the Senior Notes and in the indentures governing the Company's convertible notes;
- Cyber terrorism and inadequate cybersecurity, or the occurrence of a catastrophic loss and the possibility that the Company may not have adequate insurance to cover losses resulting from such hazards or the inability of the Company's insurers to provide coverage;
- The Company's ability to engage in successful mergers and acquisitions activity; and
- The Company's ability to borrow additional funds and access capital markets, as well as the Company's substantial indebtedness and the possibility that the Company may incur additional indebtedness going forward.

Forward-looking statements speak only as of the date they were made, and the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause the Company's actual results to differ materially from those contemplated in any forward-looking statements included in this Quarterly Report on Form 10-Q should not be construed as exhaustive.

GLOSSARY OF TERMS

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below:

2018 Form 10-K	Clearway Energy, Inc.'s (formerly NRG Yield, Inc.) Annual Report on Form 10-K for the year ended December 31, 2018
2019 Convertible Notes	$329 million aggregate principal amount of 3.50% convertible notes due 2019, issued by Clearway Energy, Inc.
2020 Convertible Notes	$45 million aggregate principal amount of 3.25% convertible notes due 2020, issued by Clearway Energy, Inc.
2024 Senior Notes	$500 million aggregate principal amount of 5.375% unsecured senior notes due 2024, issued by Clearway Energy Operating LLC
2025 Senior Notes	$600 million aggregate principal amount of 5.750% unsecured senior notes due 2025, issued by Clearway Energy Operating LLC
2026 Senior Notes	$350 million aggregate principal amount of 5.00% unsecured senior notes due 2026, issued by Clearway Energy Operating LLC
Adjusted EBITDA	Represents EBITDA adjusted for mark-to-market gains or losses, asset write offs and impairments, and factors which the Company does not consider indicative of future operating performance
AOCL/AOCI	Accumulated Other Comprehensive Loss/Accumulated Other Comprehensive Income
ASC	The FASB Accounting Standards Codification, which the FASB established as the source of authoritative GAAP
ASU	Accounting Standards Updates - updates to the ASC
ATM Program	At-The-Market Equity Offering Program
Bankruptcy Code	Title 11 of the U.S. Code
Bankruptcy Court	U.S. Bankruptcy Court for the Northern District of California
CAFD	Cash Available for Distribution is Adjusted EBITDA plus cash distributions/return of investment from unconsolidated affiliates, adjustments to reflect CAFD generated by unconsolidated investments that are not able to distribute project dividends due to the PG&E Bankruptcy, cash receipts from notes receivable, cash distributions from noncontrolling interests, less cash distributions to noncontrolling interests, maintenance capital expenditures, pro-rata Adjusted EBITDA from unconsolidated affiliates, cash interest paid, income taxes paid, principal amortization of indebtedness, Walnut Creek investment payments, and changes in prepaid and accrued capacity payments
Carlsbad Project	A 527 MW natural gas fired project in Carlsbad, CA
CEG	Clearway Energy Group LLC (formerly Zephyr Renewables LLC)
CEG Master Services Agreements	Master Services Agreements entered into as of August 31, 2018 between the Company, Clearway Energy LLC and Clearway Energy Operating LLC, and CEG
CEG ROFO Agreement	Right of First Offer Agreement, entered into as of August 31, 2018, by and between Clearway Energy Group LLC and Clearway Energy, Inc., and solely for purposes of Section 2.4, GIP III Zephyr Acquisition Partners, L.P., as amended by the First Amendment dated February 14, 2019, the Second Amendment dated August 1, 2019
Clearway Energy LLC	The holding company through which the projects are owned by Clearway Energy Group LLC, the holder of Class B and Class D units of the Company, and Clearway Energy, Inc., the holder of the Class A and Class C units
Clearway Energy Group LLC	The holder of the Company's Class B and Class D common shares and Clearway Energy LLC's Class B and Class D units
Clearway Energy Operating LLC	The holder of the project assets that are owned by Clearway Energy LLC
COD	Commercial Operation Date
Company	Clearway Energy, Inc. together with its consolidated subsidiaries

CVSR	California Valley Solar Ranch
CVSR Holdco	CVSR Holdco LLC, the indirect owner of CVSR
DGPV Holdco 1	DGPV Holdco 1 LLC
DGPV Holdco 2	DGPV Holdco 2 LLC
DGPV Holdco 3	DGPV Holdco 3 LLC
Distributed Solar	Solar power projects, typically less than 20 MW in size, that primarily sell power produced to customers for usage on site, or are interconnected to sell power into the local distribution grid
Drop Down Assets	Collectively, assets under common control acquired by the Company from NRG from January 1, 2014 through the period ended August 31, 2018
EBITDA	Earnings before interest, tax, depreciation and amortization
Economic Gross Margin	Energy and capacity revenue less cost of fuels
ECP	Energy Center Pittsburgh LLC, a subsidiary of the Company
EPA	U.S. Environmental Protection Agency

EPC	Engineering, Procurement and Construction
Exchange Act	The Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
GAAP	Accounting principles generally accepted in the U.S.
GenConn	GenConn Energy LLC
GIP	Collectively, Global Infrastructure Partners III-C Intermediate AIV 3, L.P., Global Infrastructure Partners III-A/B AIV 3, L.P., Global Infrastructure Partners III-C Intermediate AIV 2, L.P., Global Infrastructure Partners III-C2 Intermediate AIV, L.P. and GIP III Zephyr Friends & Family, LLC.
GIP Transaction	On August 31, 2018, NRG transferred its full ownership interest in the Company to Clearway Energy Group LLC and subsequently sold 100% of its interests in Clearway Energy Group LLC, which included NRG's renewable energy development and operations platform, to an affiliate of GIP. GIP, NRG and the Company also entered into a consent and indemnity agreement in connection with the purchase and sale agreement, which was signed on February 6, 2018
HLBV	Hypothetical Liquidation at Book Value
LIBOR	London Inter-Bank Offered Rate
March 2017 Drop Down Assets	(i) Agua Caliente Borrower 2 LLC, which owns a 16% interest (approximately 31% of NRG's 51% interest) in the Agua Caliente solar farm and (ii) NRG's 100% ownership in the Class A equity interests in the Utah Solar Portfolio (defined below), both acquired by the Company on March 27, 2017
MMBtu	Million British Thermal Units
MW	Megawatts
MWh	Saleable megawatt hours, net of internal/parasitic load megawatt-hours
MWt	Megawatts Thermal Equivalent
Net Exposure	Counterparty credit exposure to Clearway Energy, Inc. net of collateral
NOLs	Net Operating Losses
NPPD	Nebraska Public Power District
NRG	NRG Energy, Inc.
NRG TSA	Transition Services Agreement, dated as of August 31, 2018, by and between NRG and the Company
OCI/OCL	Other comprehensive income/loss
O&M	Operation and Maintenance
PG&E	Pacific Gas and Electric Company

PG&E Bankruptcy	On January 29, 2019, PG&E Corporation and Pacific Gas and Electric Company filed voluntary petitions for relief under the Bankruptcy Code in the Bankruptcy Court
PPA	Power Purchase Agreement
RENOM	Clearway Renewable Operation & Maintenance LLC
ROFO	Right of First Offer
RPV Holdco	RPV Holdco 1 LLC
SEC	U.S. Securities and Exchange Commission
Senior Notes	Collectively, the 2024 Senior Notes, the 2025 Senior Notes and the 2026 Senior Notes
SPP	Solar Power Partners
Tax Act	Tax Cuts and Jobs Act of 2017
Thermal Business	The Company's thermal business, which consists of thermal infrastructure assets that provide steam, hot water and/or chilled water, and in some instances electricity, to commercial businesses, universities, hospitals and governmental units
TSA	Transition Services Agreement
UPMC Thermal Project	The University of Pittsburgh Medical Center Thermal Project, a 73 MWt district energy system that allows ECP to provide steam, chilled water and 7.5 MW of emergency backup power service to UPMC.
U.S.	United States of America
Utah Solar Portfolio	Collection consists of Four Brothers Solar, LLC, Granite Mountain Holdings, LLC, and Iron Springs Holdings, LLC, which are equity investments owned by Four Brothers Capital, LLC, Granite Mountain Capital, LLC, and Iron Springs Capital, LLC, respectively, and are part of the March 2017 Drop Down Assets acquisition that closed on March 27, 2017
Utility Scale Solar	Solar power projects, typically 20 MW or greater in size (on an alternating current, or AC, basis), that are interconnected into the transmission or distribution grid to sell power at a wholesale level
VaR	Value at Risk
VIE	Variable Interest Entity
Wind TE Holdco	Wind TE Holdco LLC, an 814 net MW portfolio of twelve wind projects

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PART I - FINANCIAL INFORMATION

ITEM 1 — FINANCIAL STATEMENTS

CLEARWAY ENERGY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
(In millions, except per share amounts)	2019	2018	2019	2018
Operating Revenues				
Total operating revenues	$ 296	$ 292	$ 797	$ 824
Operating Costs and Expenses				
Cost of operations	86	84	249	247
Depreciation and amortization	112	84	285	247
Impairment losses	-	-	19	-
General and administrative	7	6	20	17
Transaction and integration costs	-	17	2	19
Development costs	1	1	4	1
Total operating costs and expenses	206	192	579	531
Operating Income	90	100	218	293
Other Income (Expense)				
Equity in earnings of unconsolidated affiliates	38	32	52	65
Other income, net	2	2	6	4
Loss on debt extinguishment	-	-	(1)	-
Interest expense	(106)	(74)	(337)	(200)
Total other expense, net	(66)	(40)	(280)	(131)
Income (Loss) Before Income Taxes	24	60	(62)	162
Income tax (benefit) expense	(11)	11	(14)	17
Net Income (Loss)	35	49	(48)	145
Less: Pre-acquisition net income of Drop Down Assets	-	-	-	4
Net Income (Loss) Excluding Pre-acquisition Net Income of Drop Down Assets	35	49	(48)	141
Less: Income (Loss) attributable to noncontrolling interests	(4)	28	(43)	25
Net Income (Loss) Attributable to Clearway Energy, Inc.	$ 39	$ 21	$ (5)	$ 116
Earnings Per Share Attributable to Clearway Energy, Inc. Class A and Class C Common Stockholders				
Weighted average number of Class A common shares outstanding - basic and diluted	35	35	35	35
Weighted average number of Class C common shares outstanding - basic	73	69	73	67
Weighted average number of Class C common shares outstanding - diluted	75	69	73	77
Earnings (Losses) per Weighted Average Class A and Class C Common Share - Basic	$ 0.36	$ 0.20	$ (0.04)	$ 1.14
Earnings (Losses) per Weighted Average Class A Common Share - Diluted	0.36	0.20	(0.04)	1.14
Earnings (Losses) per Weighted Average Class C Common Share - Diluted	0.36	0.20	(0.04)	1.10
Dividends Per Class A Common Share	0.20	0.32	0.60	0.927
Dividends Per Class C Common Share	$ 0.20	$ 0.32	$ 0.60	$ 0.927

See accompanying notes to consolidated financial statements.

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CLEARWAY ENERGY, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
(In millions)	2019	2018	2019	2018
Net Income (Loss)	$ 35	$ 49	$ (48)	$ 145
Other Comprehensive (Loss) Gain				
Unrealized (loss) gain on derivatives, net of income tax benefit of $0, $1, $0 and $4	(1)	6	2	30

Other comprehensive (loss) gain	(1)	6	2	30
Comprehensive Income (Loss)	34	55	(46)	175
Less: Pre-acquisition net income of Drop Down Assets	-	-	-	4
Less: Comprehensive (loss) income attributable to noncontrolling interests	(4)	31	(42)	41
Comprehensive Income (Loss) Attributable to Clearway Energy, Inc.	$ 38	$ 24	$ (4)	$ 130

See accompanying notes to consolidated financial statements.

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CLEARWAY ENERGY, INC.

CONSOLIDATED BALANCE SHEETS

(In millions, except shares)	**September 30, 2019 (unaudited)**	**December 31, 2018**
ASSETS		
Current Assets		
Cash and cash equivalents	$ 148	$ 407
Restricted cash	249	176
Accounts receivable — trade	141	104
Accounts receivable — affiliate	3	-
Inventory	43	40
Derivative instruments	1	-
Prepayments and other current assets	34	29
Total current assets	619	756
Property, plant and equipment, net	5,562	5,245
Other Assets		
Equity investments in affiliates	1,181	1,172
Intangible assets, net	1,103	1,156
Derivative instruments	-	8
Deferred income taxes	73	57
Right of use assets, net	191	-
Other non-current assets	109	106
Total other assets	2,657	2,499
Total Assets	$ 8,838	$ 8,500
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portion of long-term debt	$ 1,965	$ 535
Accounts payable — trade	54	45
Accounts payable — affiliate	63	19
Derivative instruments	15	4
Accrued interest expense	49	44
Accrued expenses and other current liabilities	100	57
Total current liabilities	2,246	704
Other Liabilities		
Long-term debt	4,143	5,447
Derivative instruments	95	17
Long-term lease liabilities	193	-
Other non-current liabilities	115	108
Total non-current liabilities	4,546	5,572
Total Liabilities	6,792	6,276
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock, $0.01 par value; 10,000,000 shares authorized; none issued	-	-
Class A, Class B, Class C and Class D common stock, $0.01 par value; 3,000,000,000 shares authorized (Class A 500,000,000, Class B 500,000,000, Class C 1,000,000,000, Class D 1,000,000,000); 193,413,843 shares issued and outstanding (Class A 34,599,645, Class B 42,738,750, Class C 73,336,698, Class D 42,738,750) at September 30, 2019 and 193,251,396 shares issued and outstanding (Class A 34,586,250, Class B 42,738,750, Class C 73,187,646, Class D 42,738,750) at December 31, 2018	1	1
Additional paid-in capital	1,830	1,897
Accumulated deficit	(66)	(58)
Accumulated other comprehensive loss	(17)	(18)
Noncontrolling interest	298	402
Total Stockholders' Equity	2,046	2,224
Total Liabilities and Stockholders' Equity	$ 8,838	$ 8,500

See accompanying notes to consolidated financial statements.

CLEARWAY ENERGY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2019	**2018**
	(In millions)	
Cash Flows from Operating Activities		
Net (loss) income	$ (48)	$ 145
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in earnings of unconsolidated affiliates	(52)	(65)
Distributions from unconsolidated affiliates	32	58
Depreciation and amortization	285	247
Right of use asset amortization	5	-
Amortization of financing costs and debt discounts	14	19
Amortization of intangibles and out-of-market contracts	52	52
Adjustment for debt extinguishment	1	-
Impairment losses	19	-
Changes in deferred income taxes	(14)	17
Changes in derivative instruments	101	(39)
Loss (gain) on disposal of asset components	5	(2)
Changes in prepaid and accrued liabilities for tolling agreements	12	8
Changes in other working capital	(38)	(44)
Net Cash Provided by Operating Activities	374	396
Cash Flows from Investing Activities		
Acquisitions	(100)	(11)
Partnership interests acquisition	(6)	-
Acquisition of the Drop Down Assets	-	(126)
Buyout of Wind TE Holdco non-controlling interest	(19)	-
Capital expenditures	(200)	(62)
Cash receipts from notes receivable	-	10
Return of investment from unconsolidated affiliates	37	22
Investments in unconsolidated affiliates	(14)	(16)
Other	2	8
Net Cash Used in Investing Activities	(300)	(175)
Cash Flows from Financing Activities		
Net (distributions) contributions from noncontrolling interests	(15)	93
Net proceeds from the issuance of common stock under the ATM	-	151
Payments of dividends and distributions	(116)	(174)
Payments of debt issuance costs	(15)	(5)
Proceeds from the revolving credit facility	22	35
Payments for the revolving credit facility	(22)	(90)
Proceeds from the issuance of long-term debt	586	227
Payments for long-term debt	(700)	(385)
Net Cash Used in Financing Activities	(260)	(148)
Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash	(186)	73
Cash, Cash Equivalents and Restricted Cash at beginning of period	583	316
Cash, Cash Equivalents and Restricted Cash at end of period	$ 397	$ 389

See accompanying notes to consolidated financial statements.

CLEARWAY ENERGY, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

For the Nine Months Ended September 30, 2019
(Unaudited)

(In millions)	Preferred Stock	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Stockholders' Equity

Balances at December 31, 2018	$ -	$ 1	$ 1,897	$ (58)	$ (18)	$ 402	$ 2,224
Net loss	-	-	-	(20)	-	(27)	(47)
Unrealized loss on derivatives, net of tax	-	-	-	-	(1)	(1)	(2)
Buyout of Wind TE Holdco non-controlling interest	-	-	(5)	-	-	(14)	(19)
Capital contributions from tax equity investors, net of distributions, cash	-	-	-	-	-	19	19
Contributions from CEG for Oahu Partnership, non-cash	-	-	-	-	-	12	12
Cumulative effect from change in accounting principle	-	-	-	(2)	-	(1)	(3)
Common stock dividends and distributions	-	-	(22)	-	-	(17)	(39)
Balances at March 31, 2019	$ -	$ 1	$ 1,870	$ (80)	$ (19)	$ 373	$ 2,145
Net loss	-	-	-	(24)	-	(12)	(36)
Unrealized gain on derivatives, net of tax	-	-	-	-	3	2	5
Distributions from non-controlling interests, net of capital contributions, cash	-	-	-	-	-	(30)	(30)
Contributions from CEG for Kawailoa, Repowering Partnerships, non-cash	-	-	-	-	-	6	6
Stock-based compensation	-	-	1	(1)	-	-	-
Non-cash adjustment for change in tax basis of assets	-	-	2	-	-	-	2
Common stock dividends and distributions	-	-	(21)	-	-	(17)	(38)
Balances at June 30, 2019	$ -	$ 1	$ 1,852	$ (105)	$ (16)	$ 322	$ 2,054
Net income (loss)	-	-	-	39	-	(4)	35
Unrealized loss on derivatives, net of tax	-	-	-	-	(1)	-	(1)
Distributions from non-controlling interests, net of capital contributions, cash	-	-	-	-	-	(4)	(4)
Contributions from CEG for Kawailoa, Repowering Partnerships, non-cash	-	-	-	-	-	1	1
Stock-based compensation	-	-	1	-	-	-	1
Non-cash adjustment for change in tax basis of assets	-	-	(1)	-	-	-	(1)
Common stock dividends and distributions	-		(22)	-	-	(17)	(39)
Balances at September 30, 2019	$ -	$ 1	$ 1,830	$ (66)	$ (17)	$ 298	$ 2,046

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CLEARWAY ENERGY, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

For the Nine Months Ended September 30, 2018
(Unaudited)

(In millions)	Preferred Stock	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Stockholders' Equity
Balances at December 31, 2017	$ -	$ 1	$ 1,843	$ (69)	$ (28)	$ 412	$ 2,159
Net income (loss)	-	-	-	16	-	(20)	(4)
Pre-acquisition net income of Buckthorn Solar Drop Down Asset	-	-	-	-	-	4	4
Unrealized gain on derivatives, net of tax	-	-	-	-	8	9	17
Payment for the Buckthorn Solar Drop Down Asset	-	-	-	-	-	(42)	(42)
Capital contributions from tax equity investors, net of distributions, cash	-	-	-	-	-	30	30
Distributions and return of capital to NRG, net of contributions, cash	-	-	-	-	-	4	4
Proceeds from the issuance of Class C common stock	-	-	10	-	-	-	10
Non-cash adjustment for change in tax basis of property, plant and equipment	-	-	3	-	-	-	3
Common stock dividends and distributions	-	-	(29)	-	-	(26)	(55)
Balances at March 31, 2018	$ -	$ 1	$ 1,827	$ (53)	$ (20)	$ 371	$ 2,126
Net income	-	-	-	79	-	17	96
Unrealized gain on derivatives, net of tax	-	-	-	-	3	4	7
Payment for the UPMC Drop Down Asset	-	-	-	-	-	(13)	(13)
Capital contributions from tax equity investors, net of distributions, cash	-	-	-	-	-	79	79
Distributions and return of capital to NRG, net of contributions, cash	-	-	-	-	-	(15)	(15)
Stock-based compensation	-	-	1	-	-	-	1
Proceeds from the issuance of Class C common stock	-	-	65	-	-	-	65
Non-cash adjustment for change in tax basis of property, plant and equipment	-	-	(2)	-	-	2	-
Common stock dividends and distributions	-	-	(32)	-	-	(26)	(58)

Balances at June 30, 2018	$ -	$ 1	$ 1,859	$ 26	$ (17)	$ 419	$ 2,288
Net income	-	-	-	21	-	28	49
Unrealized gain on derivatives, net of tax	-	-	-	-	3	3	6
Capital contributions from tax equity investors, net of distributions, noncash	-	-	-	-	-	17	17
Stock-based compensation	-	-	1	-	-	-	1
Proceeds from the issuance of Class C common stock	-	-	76	-	-	-	76
Non-cash adjustment for change in tax basis of property, plant and equipment	-	-	(1)	-	-	-	(1)
Common stock dividends and distributions	-	-	-	(34)	-	(27)	(61)
Balances at September 30, 2018	$ -	$ 1	$ 1,935	$ 13	$ (14)	$ 440	$ 2,375

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CLEARWAY ENERGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1 — *Nature of Business*

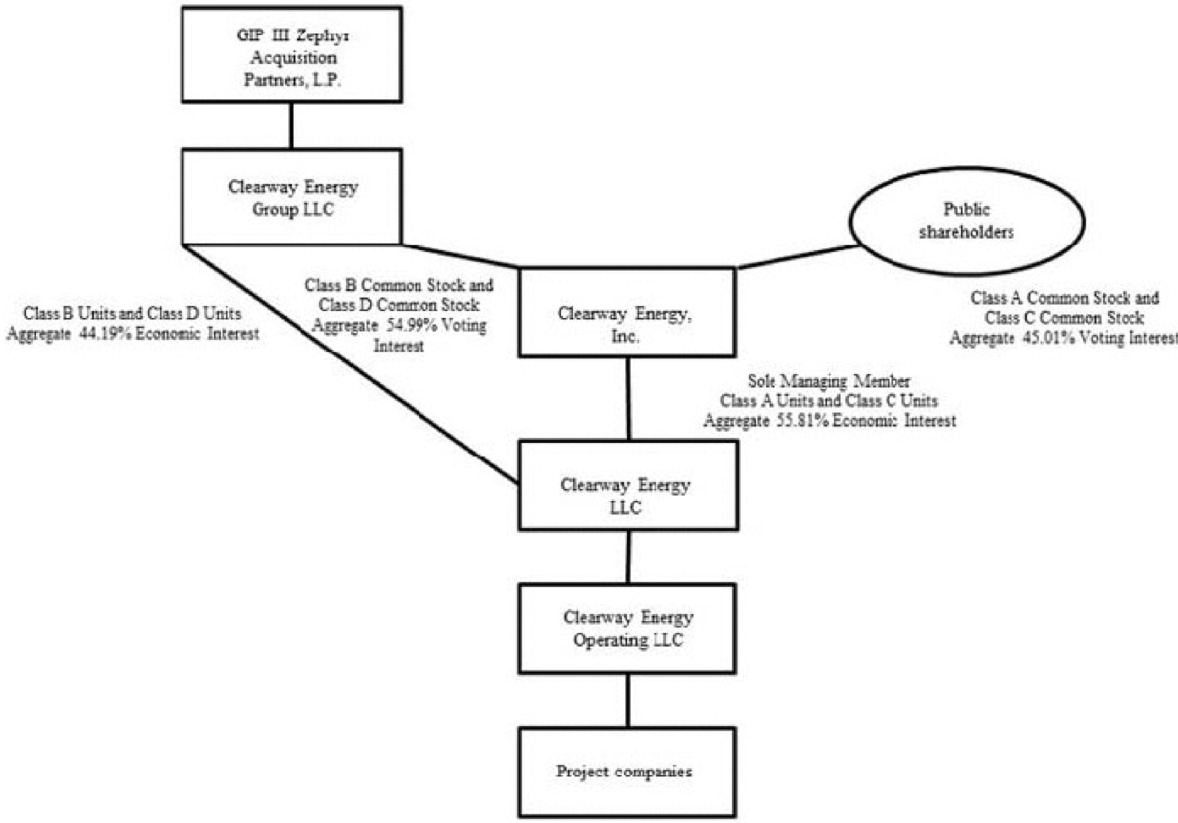
Clearway Energy, Inc. together with its consolidated subsidiaries, or the Company, is a publicly-traded energy infrastructure investor in and owner of modern, sustainable and long-term contracted assets across North America. The Company is indirectly owned by Global Infrastructure Partners III. Global Infrastructure Management, LLC is an independent fund manager of funds that invests in infrastructure assets in the energy and transport sectors, and Global Infrastructure Partners III is its third equity fund. The Company is sponsored by GIP through GIP's portfolio company, CEG.

The Company was previously owned by NRG Energy, Inc., or NRG. On August 31, 2018, NRG transferred its full ownership interest in the Company to CEG, the holder of NRG's renewable energy development and operations platform, and subsequently sold 100% of its interest in CEG to GIP, referred to hereinafter as the GIP Transaction.

The Company's environmentally-sound asset portfolio includes over 5,330 MW of wind, solar and natural gas-fired power generation facilities, as well as district energy systems. Through this diversified and contracted portfolio, the Company endeavors to provide its investors with stable and growing dividend income. Substantially all of the Company's generation assets are under long-term contractual arrangements for the output or capacity from these assets. The thermal assets are comprised of district energy systems and combined heat and power plants that produce steam, hot water and/or chilled water and, in some instances, electricity at a central plant. Certain district energy systems are subject to rate regulation by state public utility commissions (although they may negotiate certain rates) while the other district energy systems have rates determined by negotiated bilateral contracts.

The Company consolidates the results of Clearway Energy LLC through its controlling interest, with CEG's interest shown as noncontrolling interest in the financial statements. The holders of the Company's outstanding shares of Class A and Class C common stock are entitled to dividends as declared. CEG receives its distributions from Clearway Energy LLC through its ownership of Clearway Energy LLC Class B and Class D units. The Company currently owns 55.81% of the economic interests of Clearway Energy LLC, with CEG retaining 44.19% of the economic interests of Clearway Energy LLC.

The following table represents the structure of the Company as of September 30, 2019:


GIP III Zephyr Acquisition Partners, L.P.
Clearway Energy Group LLC
Public shareholders
Class B Units and Class D Units Aggregate 44.19% Economic Interest
Class B Common Stock and Class D Common Stock Aggregate 54.99% Voting Interest
Clearway Energy, Inc.
Class A Common Stock and Class C Common Stock Aggregate 45.01% Voting Interest
Sole Managing Member Class A Units and Class C Units Aggregate 55.81% Economic Interest
Clearway Energy LLC
Clearway Energy Operating LLC
Project companies

Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with the SEC's regulations for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. The following notes should be read in conjunction with the accounting policies and other disclosures as set forth in the notes to the consolidated financial statements included in the Company's 2018 Form 10-K. Interim results are not necessarily indicative of results for a full year.

In the opinion of management, the accompanying unaudited interim consolidated financial statements contain all material adjustments consisting of normal and recurring accruals necessary to present fairly the Company's consolidated financial position as of September 30, 2019, and the results of operations, comprehensive income (loss) and cash flows for the nine months ended September 30, 2019 and 2018.

PG&E Bankruptcy

On January 29, 2019, PG&E filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Northern District of California, or the Bankruptcy Court. Certain subsidiaries of the Company, which hold interests in 6 solar facilities totaling 480 MW and Marsh Landing with capacity of 720 MW, sell the output of their facilities to PG&E under long-term PPAs. The Company consolidates three of the solar facilities and Marsh Landing and records its interest in the other solar facilities as equity method investments. As of September 30, 2019, the Company had $147 million in restricted cash, $1.4 billion of property, plant and equipment, net, $370 million investments in unconsolidated affiliates and $1.3 billion of borrowings with final maturity dates ranging from 2023 - 2038 related to these facilities. The related subsidiaries of the Company are parties to financing agreements consisting of non-recourse project-level debt and, in certain cases, non-recourse holding company debt. The PG&E Bankruptcy triggered defaults under the PPAs with PG&E and such related project-level financing agreements. As a result, the Company recorded $1.3 billion of principal, net of the related unamortized debt issuance costs, as short-term debt as of September 30, 2019.

As of November 6, 2019, the Company's contracts with PG&E have operated in the normal course and the Company currently expects these contracts to continue as such. On September 23, 2019, PG&E filed the *Debtors' First Amended Joint Chapter* 11 *Plan of Reorganization,* or the PG&E Plan, which would provide for PG&E to assume all of its PPAs with the Company. The PG&E Plan is not expected to be considered for confirmation by the Bankruptcy Court until the conclusion of a proceeding to estimate PG&E's liability for prior wildfires, now pending before the United States District Court for the Northern District of California, and scheduled for trial commencing on February 18, 2020. Additionally, on October 9, 2019, the Bankruptcy Court entered an order terminating the period in which PG&E had the exclusive right to prosecute a plan of reorganization. On October 17, 2019, an ad hoc group of senior noteholders filed a competing plan of reorganization, which would also provide for PG&E to assume all of its PPAs with the Company. As of November 6, 2019, the Company has entered into forbearance agreements for certain project-level financing arrangements, and continues to seek forbearance agreements for its other project-level financing arrangements affected by the PG&E Bankruptcy. The Company continues to assess the potential future impacts of the PG&E bankruptcy as events occur. For further discussion, see Note 7 — *Long-term Debt.*

Transition Services Agreement

As a result of the GIP Transaction, the Company entered into a Transition Services Agreement with NRG, or the NRG TSA, pursuant to which NRG or certain of its affiliates began providing certain services to the Company following the consummation of the GIP Transaction on August 31, 2018, in exchange for the payment of a fee in respect of such services. A material portion of these processes terminated during the second quarter of 2019 and such services were subsequently provided by both the Company and by CEG pursuant to the CEG Master Services Agreements. During the second quarter of 2019, the Company exercised its option to extend the term of the NRG TSA through April 30, 2020 for the remaining services, some of which will be billed at an hourly rate as agreed between the parties. The Company incurred approximately $1.5 million of expense related to the NRG TSA during nine months ended September 30, 2019, which was recorded in transaction and integration costs in the consolidated statements of operations.

Note 2 — *Summary of Significant Accounting Policies*

Use of Estimates

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions. These estimates and assumptions impact the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could be different from these estimates.

Cash and Cash Equivalents, and Restricted Cash

Cash and cash equivalents include highly liquid investments with an original maturity ofthree months or less at the time of purchase. Cash and cash equivalents held at project subsidiaries was $116 million and $109 million as of September 30, 2019 and December 31, 2018, respectively.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the statements of cash flows.

	September 30, 2019	December 31, 2018
	(In millions)	
Cash and cash equivalents	$ 148	$ 407
Restricted cash	249	176
Cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 397	$ 583

Restricted cash consists primarily of funds held to satisfy the requirements of certain debt agreements and funds held within the Company's projects that are restricted in their use. As of September 30, 2019, these restricted funds were comprised of $78 million designated to fund operating expenses, $70 million designated for current debt service payments, and $53 million restricted for reserves including debt service, performance obligations and other reserves, as well as capital expenditures. The remaining $48 million is held in distribution reserve accounts, of which $36 million related to subsidiaries affected by the PG&E Bankruptcy as discussed in Note 1 — *Nature of Business,* and may not be distributed during the pendency of the bankruptcy. The Company had a total of $147 million in restricted cash held by the subsidiaries affected by the PG&E Bankruptcy atSeptember 30, 2019.

Accumulated Depreciation, Accumulated Amortization

The following table presents the accumulated depreciation included in the property, plant and equipment, net, and accumulated amortization included in intangible assets, net, respectively, as of September 30, 2019 and December 31, 2018:

	September 30, 2019	December 31, 2018
	(In millions)	
Property, Plant and Equipment Accumulated Depreciation	$ 1,830	$ 1,590
Intangible Assets Accumulated Amortization	361	308

Dividends to Class A and Class C common stockholders

The following table lists the dividends paid on the Company's Class A common stock and Class C common stock during the nine months ended September 30, 2019:

	Third Quarter 2019	Second Quarter 2019	First Quarter 2019
Dividends per Class A share	$ 0.20	$ 0.20	$ 0.20
Dividends per Class C share	$ 0.20	$ 0.20	$ 0.20

Dividends on the Class A common stock and Class C common stock are subject to available capital, market conditions, and compliance with associated laws, regulations and other contractual obligations. The Company expects that, based on current circumstances, comparable cash dividends will continue to be paid in the foreseeable future. The Company will continue to evaluate its capital allocation approach during the pendency of the PG&E Bankruptcy, including the Company's ability to receive unrestricted project distributions.

On October 29, 2019, the Company declared quarterly dividends on its Class A common stock and Class C common stock of $0.20 per share payable on December 16, 2019, to stockholders of record as of December 2, 2019.

Noncontrolling Interests

Clearway Energy LLC Distributions to CEG

The following table lists distributions paid to CEG during the period ended September 30, 2019 on Clearway Energy LLC's Class B and D units:

	Third Quarter 2019	Second Quarter 2019	First Quarter 2019
Distributions per Class B Unit	$ 0.20	$ 0.20	$ 0.20
Distributions per Class D Unit	$ 0.20	$ 0.20	$ 0.20

On October 29, 2019, Clearway Energy LLC declared a distribution on its Class B and Class D units of $0.20 per unit payable on December 16, 2019 to unit holders of record as of December 2, 2019.

Revenue Recognition

Revenue from Contracts with Customers

On January 1, 2018, the Company adopted the guidance in ASC 606, *Revenue from Contracts with Customers,* or Topic 606, using the modified retrospective method applied to contracts which were not completed as of the adoption date, with no adjustment required to the financial statements upon adoption. Following the adoption of the new standard, the Company's revenue recognition of its contracts with customers remains materially consistent with its historical practice. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The Company's policies with respect to its various revenue streams are detailed below. In general, the Company applies the invoicing practical expedient to recognize revenue for the revenue streams detailed below, except in circumstances where the invoiced amount does not represent the value transferred to the customer.

Thermal Revenues

Steam and chilled water revenue is recognized as the Company transfers the product to the customer, based on customer usage as determined by meter readings taken at month-end. Some locations read customer meters throughout the month and recognize estimated revenue for the period between meter read date and month-end. For thermal contracts, the Company's performance obligation to deliver steam and chilled water is satisfied over time and revenue is recognized based on the invoiced amount. The Thermal Business subsidiaries collect and remit state and local taxes associated with sales to their customers, as required by governmental authorities. These taxes are presented on a net basis in the income statement.

As contracts for steam and chilled water are long-term contracts, the Company has performance obligations under these contracts that have not yet been satisfied. These performance obligations have transaction prices that are both fixed and variable, and which vary based on the contract duration, customer type, inception date and other contract-specific factors. For the fixed price contracts, the Company cannot accurately estimate the amount of its unsatisfied performance obligations as it will vary based on customer usage, which will depend on factors such as weather and customer activity.

Power Purchase Agreements

The majority of the Company's revenues are obtained through PPAs or other contractual agreements. Energy, capacity and where applicable, renewable attributes, from the majority of the Company's renewable energy assets and certain conventional energy plants is sold through long-term PPAs and tolling agreements to a single counterparty, which is often a utility or commercial customer. The majority of these PPAs are accounted for as leases. ASC 840 requires the minimum lease payments received to be amortized over the term of the lease and contingent rentals are recorded when the achievement of the contingency becomes probable. Management's judgment is required in determining the economic life of each generating facility, in evaluating whether certain lease provisions constitute minimum payments or represent contingent rent and other factors in determining whether a contract contains a lease and whether the lease is an operating lease or capital lease.

Renewable Energy Credits

Renewable energy credits, or RECs, are usually sold through long-term PPAs. Revenue from the sale of self-generated RECs is recognized when the related energy is generated and simultaneously delivered even in cases where there is a certification lag as it has been deemed to be perfunctory.

In a bundled contract to sell energy, capacity and/or self-generated RECs, all performance obligations are deemed to be delivered at the same time and hence, timing of recognition of revenue for all performance obligations is the same and occurs over time. In such cases, it is often unnecessary to allocate transaction price to multiple performance obligations.

Sale of Emission Allowances

The Company records its bank of emission allowances as part of intangible assets. From time to time, management may authorize the transfer of emission allowances in excess of usage from the Company's emission bank to intangible assets held-for-sale for trading purposes. The Company records the sale of emission allowances on a net basis within operating revenue in the Company's consolidated statements of operations.

Disaggregated Revenues

The following tables represent the Company's disaggregation of revenue from contracts with customers along with the reportable segment for each category for the three and nine months ended September 30, 2019:

	Three months ended September 30, 2019			
(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Total**
Energy revenue[a]	$ 2	$ 167	$ 3	$ 172
Capacity revenue[a]	89	-	44	133
Contract amortization	(1)	(16)	(1)	(18)
Mark-to-market for economic hedging activities	-	(2)	-	(2)
Other revenue	-	2	9	11
Total operating revenue	90	151	55	296
Less: Mark-to-market for economic hedging activities	-	2	-	2
Less: Lease revenue	(91)	(160)	(1)	(252)
Less: Contract amortization	1	16	1	18
Total revenue from contracts with customers	$ -	$ 9	$ 55	$ 64

[a] The following amounts of energy and capacity revenue relate to leases and are accounted for under ASC842:

(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Total**
Energy revenue	$ 2	$ 160	$ 1	$ 163
Capacity revenue	89	-	-	89
	$ 91	$ 160	$ 1	$ 252

(In millions)	Nine months ended September 30, 2019 Conventional Generation	Renewables	Thermal	Total
Energy revenue[(a)]	$ 4	$ 441	$ 6	$ 451
Capacity revenue[(a)]	253	-	126	379
Contract amortization	(4)	(46)	(2)	(52)
Mark-to-market for economic hedging activities	-	(9)	-	(9)
Other revenue	-	6	22	28
Total operating revenue	253	392	152	797
Less: Mark-to-market for economic hedging activities	-	9	-	9
Less: Lease revenue	(257)	(416)	(2)	(675)
Less: Contract amortization	4	46	2	52
Total revenue from contracts with customers	$ -	$ 31	$ 152	$ 183

(a) The following amounts of energy and capacity revenue relate to leases and are accounted for under ASC842:

(In millions)	Conventional Generation	Renewables	Thermal	Total
Energy revenue	$ 4	$ 416	$ 2	$ 422
Capacity revenue	253	-	-	253
	$ 257	$ 416	$ 2	$ 675

The following tables represent the Company's disaggregation of revenue from contracts with customers along with the reportable segment for each category for the three and nine months ended September 30, 2018:

(In millions)	Three months ended September 30, 2018 Conventional Generation	Renewables	Thermal	Total
Energy revenue[(a)]	$ 2	$ 164	$ -	$ 166
Capacity revenue[(a)]	86	-	46	132
Contract amortization	(1)	(15)	(1)	(17)
Other revenue	-	3	8	11
Total operating revenue	87	152	53	292
Less: Lease revenue	(88)	(158)	-	(246)
Less: Contract amortization	1	15	1	17
Total revenue from contracts with customers	$ -	$ 9	$ 54	$ 63

(a) The following amounts of energy and capacity revenue relate to leases and are accounted for under ASC840:

(In millions)	Conventional Generation	Renewables	Thermal	Total
Energy revenue	$ 2	$ 158	$ -	$ 160
Capacity revenue	86	-	-	86
	$ 88	$ 158	$ -	$ 246

(In millions)	Nine months ended September 30, 2018 Conventional Generation	Renewables	Thermal	Total
Energy revenue[a]	$ 5	$ 463	$ 2	$ 470
Capacity revenue[a]	250	-	127	377
Contract amortization	(4)	(46)	(2)	(52)
Other revenue	-	10	19	29
Total operating revenue	251	427	146	824
Less: Lease revenue	(255)	(438)	(1)	(694)
Less: Contract amortization	4	46	2	52
Total revenue from contracts with customers	$ -	$ 35	$ 147	$ 182

[a] The following amounts of energy and capacity revenue relate to leases and are accounted for under ASC840:

(In millions)	Conventional Generation	Renewables	Thermal	Total
Energy revenue	$ 5	$ 438	$ 1	$ 444
Capacity revenue	250	-	-	250
	$ 255	$ 438	$ 1	$ 694

Contract Amortization

Assets and liabilities recognized from power sales agreements assumed through acquisitions related to the sale of electric capacity and energy in future periods for which the fair value has been determined to be significantly less (more) than market are amortized to revenue over the term of each underlying contract based on actual generation and/or contracted volumes or on a straight-line basis, where applicable.

Contract Balances

The following table reflects the contract assets and liabilities included on the Company's balance sheet as of September 30, 2019:

(In millions)	September 30, 2019
Accounts receivable, net - Contracts with customers	$ 31
Accounts receivable, net - Leases	110
Total accounts receivable, net[a]	$ 141

[a] Total accounts receivable, net, excludes $5 million generated at projects affected by PG&E Bankruptcy, which were reclassified to non-current assets as of September 30, 2019.

Income Taxes

Prior to the GIP Transaction, Clearway Energy, Inc. was included in certain NRG consolidated unitary state tax return filings which was reflected in the Clearway Energy, Inc. state effective tax rate. Following the GIP Transaction, Clearway Energy, Inc. will file under a separate standalone methodology, resulting in a higher state effective tax rate due to a larger percentage of activity allocated to high-tax jurisdictions.

Note 3 — *Acquisitions and Dispositions*

2019 *Acquisitions*

Duquesne University District Energy System Acquisition — On May 1, 2019, the Company, through its indirect subsidiary ECP Uptown Campus LLC, acquired the Duquesne University district energy system, totaling 82 combined MWt, located in Pittsburgh, PA. As part of the acquisition, Duquesne University entered into a 40-year Energy Services Agreement through which ECP Uptown Campus LLC will fulfill the university's electricity, chilled water and steam requirements in exchange for monthly capacity payments. The transaction is reflected in the Company's Thermal segment. The total investment for the project is approximately $107 million. This includes $100 million related to the purchase of district energy assets, which was funded through a combination of issuance of non-recourse debt in the amount of $95 million, as further discussed in Note 7 — *Long-term Debt*, as well as cash on hand. The acquisition was determined to be an asset acquisition under ASC 805, with identifiable assets acquired and liabilities assumed recorded at their estimated fair values on the acquisition date.

2018 *Acquisitions*

UPMC Thermal Project Asset Acquisition — On June 19, 2018, upon reaching substantial completion, the Company acquired from NRG the UPMC Thermal Project for cash consideration of $84 million, subject to working capital adjustments. The Company had a payable of $4 million to NRG as of December 31, 2018, $3 million of which was paid in January 2019 upon final completion of the project pursuant to the EPC agreement. The project added 73 MWt of thermal equivalent capacity and 7.5 MW of emergency backup thermal capacity to the Company's portfolio. The transaction is reflected in the Company's Thermal segment. The acquisition was funded with the proceeds from the sale of the Series E Notes and Series F Notes. The assets transferred to the Company relate to interests under common control by NRG and were recorded at book value in accordance with ASC 805-50, *Business Combinations - Related Issues*. The difference between the purchase price and book value of the assets was recorded as a distribution to NRG and decreased the balance of its noncontrolling interest. The acquisition was determined to be an asset acquisition and not a business combination, and therefore no recast of the historical financial information was deemed necessary.

***Central CA Fuel Cell* 1, *LLC* —** On April 18, 2018, the Company acquired the Central CA Fuel Cell 1, LLC project in Tulare, California from FuelCell Energy Finance, Inc., for cash consideration of $11 million, subject to working capital adjustments. The project adds 2.8 MW of thermal capacity to the Company's portfolio, with a 20-year PPA contract with the City of Tulare. The transaction is reflected in the Company's Thermal segment.

Buckthorn Solar Drop Down Asset — On March 30, 2018, the Company acquired 100% of NRG's interests in Buckthorn Renewables, LLC, which owns a 154 MW construction-stage utility-scale solar generation project located in Texas, or the Buckthorn Solar Drop Down Asset, for cash consideration of $42 million.The project sells power under a 25-year PPA to the City of Georgetown, Texas, which commenced in July 2018. The Company also assumed non-recourse debt of $183 million and non-controlling interest of $19 million, as of the acquisition date, attributable to the Class A member. The Company converted $132 million of non-recourse debt to a term loan and the remainder of the outstanding debt was paid down with the contribution from the Class A member in the amount of $80 million upon the project reaching substantial completion in May 2018. The purchase price for the Buckthorn Solar Drop Down Asset was funded with cash on hand and borrowings from the Company's revolving credit facility. The assets and liabilities transferred to the Company related to interests under common control by NRG and were recorded at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues.* The difference between the cash paid and historical value of the entities' equity was recorded as a distribution to NRG and decreased the balance of its noncontrolling interest. Since the transaction constituted a transfer of net assets under common control, the guidance requires retrospective combination of the entities for all periods presented as if the combination had been in effect since the inception of common control. The project sells power under a 25-year PPA to the City of Georgetown, Texas, which commenced in July 2018.

Dispositions

Sale of Energy Center Dover LLC and Energy Center Smyrna LLC Assets — On September 5, 2019, the Company entered into a purchase and sale agreement with DB Energy Assets, LLC to sell 100% of its interests in Energy Center Dover LLC and Energy Center Smyrna LLC, Energy Center Dover LLC owns a 103 MW natural gas-fired cogeneration facility located in Dover, DE (Energy Center Dover). The transaction is subject to standard regulatory approvals and the completion of certain maintenance activities. The HSD assets and liabilities were classified as held for sale and recorded to other current assets and non-current assets, as well as current liabilities on the Company's consolidated balance sheets as of September 30, 2019.

***Sale of HSD Solar Holdings, LLC assets* —** On October 8, 2019, the Company, through HSD Solar Holdings, LLC, or HSD, sold 100% of its interests in certain distributed generation solar facilities totaling 6 MW to the offtaker under the PPA, for cash consideration of $20 million, as a result of the offtaker exercising its right to purchase the project pursuant to the PPA. In conjunction with the sale, the Company repaid in full the non-recourse lease financing associated with the HSD projects. The repaid amount was net of cash released at closing and totaled $23 million. The HSD assets and liabilities were classified as held for sale and recorded to other current assets and non-current assets, as well as current liabilities on the Company's consolidated balance sheets as of September 30, 2019.

Note 4 — *Investments Accounted for by the Equity Method and Variable Interest Entities*

Entities that are Consolidated

The Company has a controlling financial interest in certain entities which have been identified as VIEs under ASC 810, *Consolidations,* or ASC 810. These arrangements are primarily related to tax equity arrangements entered into with third parties in order to monetize certain tax credits associated with wind facilities, as further described in Note 5 — *Investments Accounted for by the Equity Method and Variable Interest Entities,* to the consolidated financial statements included in the Company's 2018 Form 10-K.

Repowering Partnership **—** On August 30, 2018, Wind TE Holdco, an indirect subsidiary of the Company, formed a partnership with Clearway Renew LLC, an indirect subsidiary of CEG, in order to facilitate the repowering of wind facilities of two of its indirect subsidiaries, Elbow Creek Wind Project LLC, or Elbow Creek and Wildorado Wind LLC, or Wildorado Wind. Wind TE Holdco contributed its interests in the two facilities and Clearway Renew LLC contributed a turbine supply agreement, including title to certain components that qualify for production tax credits. Wind TE Holdco is the managing member of the partnership and consolidates the entity, which is a VIE. Clearway Renew LLC is entitled to allocations of 21% of income, which is reflected in Wind TE Holdco's noncontrolling interests. In connection with repowering of the projects, the Company revised the remaining useful life of the property, plant and equipment, net at the projects and accelerated depreciation through the expected COD dates, which are December 2019 and March 2020 for Wildorado Wind and Elbow Creek, respectively. The accelerated depreciation resulted in an additional expense of $26 million during the three and nine months ended September 30, 2019.

On June 14, 2019, Repowering Partnership LLC was replaced with Repowering Partnership II LLC as the owner of the Elbow Creek and Wildorado Wind projects, as well as Repowering Partnership Holdco LLC, which concurrently entered into a financing agreement for construction debt of total commitment of $352 million, as further described in Note 7 — *Long-term Debt.* In connection with the completion of the financing, and after taking into account the higher cash flow from the reduction in debt service in 2019 resulting from the partial repayment of the Viento financing, the Company committed to invest an estimated $111 million in net corporate capital to fund the repowering of the wind facilities, subject to closing adjustments.

Kawailoa Partnership **—** On August 31, 2018, the Company entered into an agreement with Clearway Renew LLC, a subsidiary of CEG, to acquire the Class A membership interests in the Kawailoa Solar Partnership LLC, or Kawailoa Partnership, for $9 million in cash consideration. The purpose of the partnership is to own, finance, operate, and maintain the Kawailoa Solar project, a 49 MW utility-scale solar generation project, an indirect subsidiary of the Kawailoa Partnership, which is being developed in Oahu, Hawaii. The Kawailoa Solar project is contracted to sell power under long-term PPAs with Hawaiian Electric Company, or HECO, upon reaching COD. The Kawailoa Solar project is 51% owned by the Kawailoa Partnership, with the remaining 49% owned by a third-party investor. The Kawailoa Partnership consolidates the Kawailoa Solar project through its controlling majority interest.

On May 7, 2019, the Company made an initial capital contribution of $2 million, which represents 20% of its total anticipated capital contributions. The Company assumed non-recourse debt of $120 million, as further described in Note 7 — *Long-term Debt*, and non-controlling interests attributable to third parties in the amount of $21 million. The Company has $7 million payable due to Clearway Renew LLC in accounts payable — affiliate on the Company's consolidated balance sheets as of September 30, 2019, which represents the remaining 80% of the equity commitment and will be funded on the date the Kawailoa Solar project reaches certain milestones. The Company, as a Class A member, is the primary beneficiary through its position as managing member and consolidates Kawailoa Partnership. Allocations of income and taxable items are equal to the distributions of available cash, which is currently 95% to the Company and 5% to Clearway Renew LLC.

The Company's acquisition of the Class A membership interests in the Kawailoa Partnership was accounted for as a transfer of assets under common control and was recorded at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues.* The difference between the cash paid and payable recorded and the historical value of the assets was recorded as a distribution to CEG and decreased the balance of its noncontrolling interest.

Oahu Partnership **—** On August 31, 2018, the Company entered into an agreement with Clearway Renew LLC, a subsidiary of CEG, to acquire the Class A membership interests in the Zephyr Oahu Partnership LLC, or Oahu Partnership, for $20 million in cash consideration. The purpose of the partnership is to own, finance, operate, and maintain the Oahu Solar projects, which consist of Lanikuhana and Waipio, utility-scale solar generation projects which represent 15 MW and 46 MW respectively, the indirect subsidiaries of the Oahu Partnership, which are being developed in Oahu, Hawaii. The Oahu Solar projects reached COD on September 19, 2019 and began to sell power to HECO pursuant to the long-term PPAs.

On March 8, 2019, the Company made an initial capital contribution of $4 million, which represents 20% of its total anticipated capital contributions. The Company also assumed non-recourse debt of $143 million, as further described in Note 7 — *Long-term Debt*, and $18 million of non-controlling interest attributable to a tax equity investor's initial contribution. The Company has a payable in the amount of $16 million due to Clearway Renew LLC in accounts payable — affiliate on the Company's consolidated balance sheets as of September 30, 2019. The payable represents the remaining 80% of the equity commitment and will be funded on the date the Oahu Solar LLC projects reach certain milestones. The Company, as a Class A member, is the primary beneficiary through its position as managing member and consolidates Oahu Partnership. Allocations of income and taxable items are equal to the distributions of available cash, which is currently 95% to the Company and 5% to Clearway Renew LLC.

The Company's acquisition of the Class A membership interests in the Oahu Partnership was accounted for as a transfer of assets under common control and was recorded at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues*. The difference between the cash paid and payable recorded and the historical value of the assets was recorded as a contribution from CEG and increased the balance of its noncontrolling interest.

Wind TE Holdco Buyout — On January 2, 2019, the Company bought out 100% of the Class A membership interests from the tax equity investor of Wind TE Holdco, for cash consideration of $19 million. The Company recorded the difference between the value of the interest bought and the cash received to equity and allocated it between non-controlling interest and additional paid in capital based on the economic ownership interest between CEG and public interest as of January 2, 2019.

Buckthorn Renewables, LLC — As described in Note 3 — *Business Acquisitions and Dispositions*, on March 30, 2018, the Company acquired 100% of NRG's interest in a 154 MW construction-stage utility-scale solar generation project, Buckthorn Renewables, LLC, which owns 100% interest in Buckthorn Solar Portfolio, LLC, which in turn owns 100% of the Class B membership interests in Buckthorn Holdings, LLC. Buckthorn Holdings, LLC is a tax equity fund, which is a variable interest entity that is consolidated by Buckthorn Solar Portfolio, LLC. The Company is the primary beneficiary, through its position as managing member, and indirectly consolidates Buckthorn Holdings, LLC through Buckthorn Solar Portfolio, LLC. The Class A member's interest in the tax equity fund is reflected as noncontrolling interest on the Company's consolidated balance sheet. The Company utilizes the HLBV method to determine the net income or loss allocated to the tax equity investor noncontrolling interest.

Summarized financial information for the Company's consolidated VIEs consisted of the following as of September 30, 2019:

(In millions)	**Oahu Solar Partnership**	**Kawailoa Partnership**	**Alta Wind TE Holdco**	**Spring Canyon**	**Buckthorn Renewables, LLC**	**Repowering Partnership LLC**
Other current and non-current assets	$ 38	$ 36	$ 56	$ 3	$ 11	$ 17
Property, plant and equipment	190	147	387	87	217	320
Intangible assets	-	-	240	-	-	1
Total assets	228	183	683	90	228	338
Current and non-current liabilities	190	167	39	5	141	36
Total liabilities	190	167	39	5	141	36
Noncontrolling interest	2	16	53	35	62	(13)
Net assets less noncontrolling interests	$ 36	$ -	$ 591	$ 50	$ 25	$ 315

Entities that are* not *Consolidated

The Company has interests in entities that are considered VIEs under ASC 810, but for which it is not considered the primary beneficiary. The Company accounts for its interests in these entities under the equity method of accounting, as further described in Note 5 — *Investments Accounted for by the Equity Method and Variable Interest Entities,* to the consolidated financial statements included in the Company's 2018 Form 10-K.

The Company's maximum exposure to loss as of September 30, 2019, is limited to its equity investment in the unconsolidated entities, as further summarized in the table below:

(In millions)	Maximum exposure to loss
Four Brothers Solar, LLC	$ 184
GenConn Energy LLC	94
DGPV Holdco 3 LLC	160
DGPV Holdco 1 LLC	84
Granite Mountain Holdings, LLC	66
DGPV Holdco 2 LLC	63
Iron Springs Holdings, LLC	47
RPV Holdco 1 LLC	17

***DGPV Holdco* 1 *LLC* —** The Company invested $2 million of cash during the nine months ended September 30, 2019 into DGPV Holdco 1 LLC. The Company owns approximately 52 MW of distributed solar capacity, based on cash to be distributed, with a weighted average remaining contract life of approximately 16 years as of September 30, 2019.

***DGPV Holdco* 3 *LLC* —** The Company invested $12 million of cash during the nine months ended September 30, 2019 into DGPV Holdco 3 LLC and recorded $23 million due to CEG in accounts payable — affiliate as of September 30, 2019 to be funded in tranches as the project milestones are completed. The Company owns approximately 59 MW of distributed solar capacity, based on cash to be distributed, with a weighted average remaining contract life of approximately 20 years as of September 30, 2019.

The following tables present summarized financial information for DGPV Holdco 1 LLC, DGPV Holdco 2 LLC and DGPV Holdco 3 LLC on a combined basis. These entities were deemed to be the Company's significant equity method investments as of September 30, 2019:

(In millions)	Three months ended September 30,		Nine months ended September 30,	
Income Statement Data:	2019	2018	2019	2018
Operating revenues	$ 26	$ 22	$ 63	$ 55
Operating loss	14	10	26	20
Net (loss) income	$ (1)	$ 10	$ (16)	$ 21

(In millions)	September 30, 2019	December 31, 2018
Balance sheet Data:		
Current assets	$ 148	$ 41
Property, plant and equipment, net	840	828
Non-current assets	51	7
Current liabilities	94	137
Non-current liabilities	415	314
Redeemable noncontrolling interest	(1)	-
Noncontrolling interest	43	9

Note 5 — *Fair Value of Financial Instruments*

***Fair Value Accounting under ASC* 820**

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1—quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.
- Level 2—inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3—unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

In accordance with ASC 820, the Company determines the level in the fair value hierarchy within which each fair value measurement in its entirety falls, based on the lowest level input that is significant to the fair value measurement.

For cash and cash equivalents, restricted cash, accounts receivable, accounts payable, accounts payable — affiliates, accrued expenses and other liabilities, the carrying amounts approximate fair value because of the short-term maturity of those instruments and are classified as Level 1 within the fair value hierarchy.

The estimated carrying amounts and fair values of the Company’s recorded financial instrumentsnot carried at fair market value are as follows:

	As of September 30, 2019		As of December 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(In millions)				
Liabilities:				
Long-term debt, including current portion [a]	$ 6,179	$ 6,173	$ 6,043	$ 5,943

[a] Excludes net debt issuance costs, which are recorded as a reduction to long-term debt on the Company's consolidated balance sheets.

The fair value of the Company's publicly-traded long-term debt is based on quoted market prices and is classified as Level2 within the fair value hierarchy. The fair value of non-publicly traded long-term debt of the Company are based on expected future cash flows discounted at market interest rates, or current interest rates for similar instruments with equivalent credit quality and are classified as Level 3 within the fair value hierarchy. The following table presents the level within the fair value hierarchy for long-term debt, including current portion as of September 30, 2019 and December 31, 2018:

	As of September 30, 2019		As of December 31, 2018	
	Level 2	Level 3	Level 2	Level 3
		(In millions)		
Long-term debt, including current portion	$ 1,551	$ 4,622	$ 1,620	$ 4,323

Recurring Fair Value Measurements

The Company records its derivative assets and liabilities at fair value on its consolidated balance sheet. The following table presents assets and liabilities measured and recorded at fair value on the Company's consolidated balance sheets on a recurring basis and their level within the fair value hierarchy:

	As of September 30, 2019			As of December 31, 2018
	Fair Value [a]			Fair Value [a]
(In millions)	Level 2	Level 3	Total	Level 2
Derivative assets:				
Commodity contracts	$ 1	$ -	$ 1	$ -
Interest rate contracts	-	-	-	11
Total assets	1	-	1	11
Derivative liabilities:				
Commodity contracts	-	9	9	-
Interest rate contracts	101	-	101	21
Total liabilities	$ 101	$ 9	$ 110	$ 21

[a] There were no derivative assets or liabilities classified as Level 1 as of September 30, 2019, and no derivative assets or liabilities classified as Level 1 or Level 3 as of December 31, 2018.

The following table reconciles the beginning and ending balances for instruments that are recognized at fair value in the condensed consolidated financial statements using significant unobservable inputs:

(In millions)	Three months ended September 30, 2019 Fair Value Measurement Using Significant Unobservable Inputs (Level 3)	Three months ended September 30, 2018	Nine months ended September 30, 2019 Fair Value Measurement Using Significant Unobservable Inputs (Level 3)	Nine months ended September 30, 2018
Beginning balance	$ (7)	$ -	$ -	$ -
Total losses for the period included in earnings	(2)	-	(2)	-
Purchases	-	-	(7)	-
Ending balance	$ (9)	$ -	$ (9)	$ -

Derivative Fair Value Measurements

The Company's contracts are non-exchange-traded and valued using prices provided by external sources. For some of the Company's energy contracts, management receives quotes from multiple sources. To the extent that multiple quotes are received, the prices reflect the average of the bid-ask mid-point prices obtained from all sources believed to provide the most liquid market for the commodity. The remainder of the assets and liabilities represent contracts for which external sources or observable market quotes are not available. These contracts are valued based on various valuation techniques including, butnot limited to, internal models based on a fundamental analysis of the market and extrapolation of the observable market data with similar characteristics. As of September 30, 2019, contracts valued with prices provided by models and other valuation techniques make up8% of derivative liabilities.

The Company's significant position classified as Level 3 includes physical power executed in illiquid markets. The significant unobservable inputs used in developing fair value include illiquid power tenors and location pricing, which is derived by extrapolating pricing and as a basis to liquid locations. The tenor pricing and basis spread are based on observable market data when available or derived from historic prices and forward market prices from similar observable markets when not available.

The following tables quantify the significant unobservable inputs used in developing the fair value of the Company's Level3 positions as of September 30, 2019:

September 30, 2019 (In millions)	Fair Value: Assets	Fair Value: Liabilities	Valuation Technique	Significant Unobservable Input	Input/Range: Low	Input/Range: High	Input/Range: Weighted Average
Power Contracts	$ -	$ 9	Discounted Cash Flow	Forward Market Price (per MWh)	7	33	12

The following table provides sensitivity of fair value measurements to increases/(decreases) in significant unobservable inputs as of September 30, 2019:

Significant Observable Input	Position	Change In Input	Impact on Fair Value Measurement
Forward Market Price Power	Buy	Increase/(Decrease)	Higher/(Lower)
Forward Market Price Power	Sell	Increase/(Decrease)	Lower/(Higher)

The fair value of each contract is discounted using a risk-free interest rate. In addition, a credit reserve is applied to reflect credit risk, which is, for interest rate swaps, calculated based on credit default swaps using the bilateral method. For commodities, to the extent that the net exposure under a specific master agreement is an asset, the Company uses the counterparty's default swap rate. If the net exposure under a specific master agreement is a liability, the Company uses a proxy of its own default swap rate. For interest rate swaps and commodities, the credit reserve is added to the discounted fair value to reflect the exit price that a market participant would be willing to receive to assume the liabilities or that a market participant would be willing to pay for the assets. As of September 30, 2019, the non-performance reserve was $8 million gain recorded primarily in interest expense in the consolidated statements of operations. It is possible that future market prices could vary from those used in recording assets and liabilities and such variations could be material.

Concentration of Credit Risk

In addition to the credit risk discussion in Note 2 — *Summary of Significant Accounting Policies*, to the consolidated financial statements included in the Company's 2018 Form 10-K, the following is a discussion of the concentration of credit risk for the Company's financial instruments. Credit risk relates to the risk of loss resulting from non-performance or non-payment by counterparties pursuant to the terms of their contractual obligations. The Company monitors and manages credit risk through credit policies that include: (i) an established credit approval process; (ii) monitoring of counterparties' credit limits; (iii) the use of credit mitigation measures such as margin, collateral, prepayment arrangements, or volumetric limits; (iv) the use of payment netting agreements; and (v) the use of master netting agreements that allow for the netting of positive and negative exposures of various contracts associated with a single counterparty. Risks surrounding counterparty performance and credit could ultimately impact the amount and timing of expected cash flows. The Company seeks to mitigate counterparty risk by having a diversified portfolio of counterparties.

Counterparty credit exposure includes credit risk exposure under certain long-term agreements, including solar and other PPAs. As external sources or observable market quotes are not available to estimate such exposure, the Company estimates the exposure related to these contracts based on various techniques including, but not limited to, internal models based on a fundamental analysis of the market and extrapolation of observable market data with similar characteristics. The majority of these power contracts are with utilities with strong credit quality and public utility commission or other regulatory support. However, such regulated utility counterparties can be impacted by changes in government regulations or adverse financial conditions, which the Company is unable to predict.

On January 29, 2019, PG&E filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. Certain subsidiaries of the Company sell the output of their facilities to PG&E under long-term PPAs, including interests in 6 solar facilities totaling 480 MW and Marsh Landing with a capacity of 720 MW. The Company consolidates three of the solar facilities and Marsh Landing and records its interest in the other solar facilities as equity method investments. The Company had $31 million in accounts receivable due from PG&E for its consolidated projects, of which $5 million was recorded to non-current assets as of September 30, 2019. As of November 6, 2019, the Company's contracts with PG&E have operated in the normal course and the Company currently expects these contracts to continue as such. The Company has entered into forbearance agreements for certain project-level financing arrangements as of November 6, 2019, and continues seeking similar forbearance agreements with lenders for the remaining project-level financing arrangements affected by the PG&E Bankruptcy. For further discussion see Note 1 — *Nature of Business* and Note 7 — *Long-term Debt.*

Note 6 — *Derivative Instruments and Hedging Activities*

This footnote should be read in conjunction with the complete description under Note7 — *Accounting for Derivative Instruments and Hedging Activities*, to the consolidated financial statements included in the Company's 2018 Form 10-K.

Interest Rate Swaps

The Company enters into interest rate swap agreements in order to hedge the variability of expected future cash interest payments. As of September 30, 2019, the Company had interest rate derivative instruments on non-recourse debt extending through 2041, a portion of which were designated as cash flow hedges. Under the interest rate swap agreements, the Company pays a fixed rate and the counterparties to the agreements pay a variable interest rate.

Energy-Related Commodities

As of September 30, 2019, the Company had energy-related derivative instruments extending through 2029. At September 30, 2019, these contracts were not designated as cash flow or fair value hedges.

Volumetric Underlying Derivative Transactions

The following table summarizes the net notional volume buy of the Company's open derivative transactions broken out by type:

		Total Volume	
(In millions)		**September 30, 2019**	**December 31, 2018**
Commodity	**Units**		
Power	MWh	(2)	—
Natural Gas	MMBtu	3	1
Interest	Dollars	$ 1,756	$ 1,862

Fair Value of Derivative Instruments

The following table summarizes the fair value within the derivative instrument valuation on the balance sheet:

	Fair Value			
	Derivative Assets [a]		Derivative Liabilities	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
	(In millions)			
Derivatives Designated as Cash Flow Hedges:				
Interest rate contracts current	$ -	$ 2	$ 3	$ 1
Interest rate contracts long-term	-	3	14	6
Total Derivatives Designated as Cash Flow Hedges	-	5	17	7
Derivatives Not Designated as Cash Flow Hedges:				
Interest rate contracts current	-	1	12	3
Interest rate contracts long-term	-	5	72	11
Commodity contracts current	1	-	-	-
Commodity contracts long-term	-	-	9	-
Total Derivatives Not Designated as Cash Flow Hedges	1	6	93	14
Total Derivatives	$ 1	$ 11	$ 110	$ 21

[a] Derivative Assets balances classified as current are included within the prepayments and other current assets line item of the consolidated balance sheets as of December 31, 2018.

The Company has elected to present derivative assets and liabilities on the balance sheet on a trade-by-trade basis and doesnot offset amounts at the counterparty master agreement level. As of September 30, 2019 and December 31, 2018, there was no outstanding collateral paid or received. The following tables summarize the offsetting of derivatives by the counterparty master agreement level as of September 30, 2019 and December 31, 2018:

As of September 30, 2019	Gross Amounts of Recognized Assets/Liabilities	Derivative Instruments	Net Amount
Commodity contracts:		(In millions)	
Derivative assets	$ 1	$ (1)	$ -
Derivative liabilities	(9)	1	(8)
Total commodity contracts	$ (8)	$ -	$ (8)
Interest rate contracts:			
Derivative assets	-	-	-
Derivative liabilities	(101)	-	(101)
Total interest rate contracts	$ (101)	$ -	$ (101)
Total derivative instruments	$ (109)	$ -	$ (109)

As of December 31, 2018	Gross Amounts of Recognized Assets/Liabilities	Derivative Instruments	Net Amount
Interest rate contracts:		(In millions)	
Derivative assets	$ 11	$ (1)	$ 10
Derivative liabilities	(21)	1	(20)
Total interest rate contracts	$ (10)	$ -	$ (10)
Total derivative instruments	$ (10)	$ -	$ (10)

Accumulated Other Comprehensive Loss

The following table summarizes the effects on the Company’s accumulated OCL balance attributable to interest rate swaps designated as cash flow hedge derivatives, net of tax:

	Three months ended September 30,		Nine months ended September 30,	
	2019	**2018**	**2019**	**2018**
	(In millions)			
Accumulated OCL beginning balance	$ (35)	$ (36)	$ (38)	$ (60)
Reclassified from accumulated OCL to income due to realization of previously deferred amounts	(2)	5	15	11
Mark-to-market of cash flow hedge accounting contracts	1	1	(13)	19
Accumulated OCL ending balance, net of income tax benefit of $6 and $6, respectively	(36)	(30)	(36)	(30)
Accumulated OCL attributable to noncontrolling interests	$ (19)	$ (16)	$ (19)	$ (16)
Accumulated OCL attributable to Clearway Energy, Inc.	$ (17)	$ (14)	$ (17)	$ (14)
Losses expected to be realized from OCL during the next 12 months, net of income tax benefit of $3	$ (7)		$ (7)	

Impact of Derivative Instruments on the Statements of Operations

Gains and losses related to the Company's derivatives are recorded in the consolidated statements of operations as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2019	**2018**	**2019**	**2018**
	(In millions)			
Interest Rate Contracts (Interest Expense)	$ (28)	$ 9	$ (82)	$ 40

A portion of the Company’s derivative commodity contracts relates to its Thermal Business for the purchase of fuel commodities based on the forecasted usage of the thermal district energy centers. Realized gains and losses on these contracts are reflected in the fuel costs that are permitted to be billed to customers through the related customer contracts or tariffs and, accordingly, no gains or losses are reflected in the consolidated statements of operations for these contracts.

In connection with the repowering activities at Elbow Creek, the Company entered into a new long-term power hedge in January of 2019, and the impact to the consolidated statements of operations was a $9 million loss for the period ended September 30, 2019. The loss was recorded in total operating revenues in the Company's consolidated statements of operations.

See Note 5 — *Fair Value of Financial Instruments*, for a discussion regarding concentration of credit risk.

Note 7 — *Long-term Debt*

This footnote should be read in conjunction with the complete description under Note10 — *Long-term Debt,* to the consolidated financial statements included in the Company's 2018 Form 10-K. Long-term debt consisted of the following:

	September 30, 2019	December 31, 2018	September 30, 2019, interest rate % [(a)]	Letters of Credit Outstanding at September 30, 2019
	(In millions, except rates)			
2019 Convertible Notes	$ -	$ 220	3.500	
2020 Convertible Notes	45	45	3.250	
2024 Senior Notes	500	500	5.375	
2025 Senior Notes	600	600	5.750	
2026 Senior Notes	350	350	5.000	
Clearway Energy LLC and Clearway Energy Operating LLC Revolving Credit Facility, due 2023 [(b)]	-	-	L+1.75	52
Project-level debt:				
Agua Caliente Borrower 2, due 2038 [(c)(d)]	38	39	5.430	17
Alpine, due 2022 [(c)]	121	127	L+2.00	16
Alta Wind I - V lease financing arrangements, due 2034 and 2035	859	886	5.696 - 7.015	29
Buckthorn Solar, due 2025	130	132	L+1.750	26
CVSR, due 2037 [(c)]	696	720	2.339 - 3.775	—
CVSR Holdco Notes, due 2037 [(c)]	182	188	4.680	13
Duquesne, due 2059	95	-	4.620	
El Segundo Energy Center, due 2023	303	352	L+1.75 - L+2.375	138
Energy Center Minneapolis Series D, E, F, G, H Notes, due 2025-2037	328	328	various	—
Laredo Ridge, due 2028	86	89	L+2.125	10
Kansas South, due 2030 [(c)]	25	26	L+2.00	2
Kawailoa Solar Holdings LLC, due 2026	134	-	L+1.375	5
Marsh Landing, due 2023 [(c)]	223	263	L+2.125	27
Oahu Solar Holdings LLC, due 2026	157	-	L+1.375	11
Repowering Partnership Holdco LLC, due 2020	298	-	L+0.85	29
South Trent Wind, due 2028	44	50	L+1.350	12
Tapestry, due 2031	159	151	L+1.375	19
Utah Solar Portfolio, due 2022	260	267	L+2.625	13
Viento, due 2023	42	146	L+2.00	14
Walnut Creek, due 2023	189	222	L+1.75	82
Other	315	343	various	24
Subtotal project-level debt:	4,684	4,329		
Total debt	6,179	6,044		
Less current maturities	(1,965)	(535)		
Less net debt issuance costs	(71)	(61)		
Less discounts [(e)]	-	(1)		
Total long-term debt	$ 4,143	$ 5,447		

(a) As of September 30, 2019, L+ equals 3 month LIBOR plus x%, except for Viento, due 2023 and Kansas South, due 2030 where L+ equals 6 month LIBOR plus 2.00% and Utah Solar Portfolio, Kawailoa Solar Holdings LLC, Oahu Solar Holdings LLC, Repowering Partnership Holdco LLC where L+ equalsl month LIBOR plus x%

(b) Applicable rate is determined by the borrower leverage ratio, as defined in the credit agreement

(c) Entities affected by PG&E Bankruptcy, see further discussion below

(d) The Company repaid the debt on October 21, 2019, as further described below

(e) Discounts relate to the 2020 Convertible Notes

The financing arrangements listed above contain certain covenants, including financial covenants that the Company is required to be in compliance with during the term of the respective arrangement. As of September 30, 2019, the Company was not in compliance with certain covenants impacted by the PG&E Bankruptcy, as discussed below. The discussion below describes material changes to or additions of long-term debt for the nine months ended September 30, 2019.

Clearway Energy LLC and Clearway Energy Operating LLC Revolving Credit Facility

As of September 30, 2019, there were no outstanding borrowings under the revolving credit facility and the Company had $52 million of letters of credit outstanding. The Company had $40 million outstanding under the revolving credit facility and a total of $71 million in letters of credit outstanding as of November 6, 2019.

2019 *Convertible Notes Open Market Repurchases*

In January 2019, the Company repurchased a combined aggregate principal amount of $50 million of the 2019 Convertible Notes in open market transactions. The repurchases were funded through a partial repayment of the intercompany note between Clearway Energy Operating LLC and Clearway Energy, Inc. The 2019 Convertible Notes matured on February 1, 2019 and the Company paid off the remaining balance of an aggregate principal amount of $170 million.

Project - level Debt

PG&E Bankruptcy

As discussed in Note 1 — *Nature of Business*, on January 29, 2019, PG&E filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Northern District of California, or the Bankruptcy Court. Certain subsidiaries of the Company listed in the table above are parties to financing agreements consisting of non-recourse project-level debt and, in certain cases, non-recourse holding company debt. The PG&E bankruptcy filing has triggered defaults under the PPAs with PG&E and such related project-level financing agreements. As a result, the Company recorded approximately $1.3 billion of principal, net of the related unamortized debt issuance costs, with final maturity dates ranging from 2023 - 2038, as short-term debt as of September 30, 2019. In addition, distributions from these projects to Clearway Operating LLC are prohibited under the related debt agreements. As of November 6, 2019, the Company has entered into forbearance agreements for certain project-level financing arrangements, and continues to seek forbearance agreements for its other project-level financing arrangements affected by the PG&E Bankruptcy.

Agua Caliente Borrower 2 *debt Repayment*

On October 21, 2019, the Company, through Agua Caliente Borrower 2 LLC, repaid $40 million of the outstanding notes balance, including accrued interest and premiums, issued under the Agua Caliente Holdco Financing Agreement. The repayment was funded with Company's existing liquidity.

Repowering Partnership Holdco LLC

On June 14, 2019, as part of the Repowering Partnership, Repowering Partnership Holdco LLC entered into a financing agreement for non-recourse debt for a total commitment amount of $352 million related to the construction for the repowering activities at Wildorado and Elbow Creek. The debt consists of a construction loan at an interest rate of LIBOR plus 0.85% that matures on March 31, 2020. The construction loan is expected be paid at final completion with proceeds from the tax equity investor. Interest on the construction loan is payable monthly in arrears. The Company borrowings were utilized to repay $109 million of the outstanding balance, including accrued interest, under the Viento financing agreement, to reimburse Clearway Renew LLC for previous contributions into the Repowering Partnership and pay construction invoices.

Duquesne University

On May 1, 2019, as part of the Duquesne University district energy system acquisition, ECP Uptown Campus LLC issued non-recourse debt of $95 million, excluding financing fees. The debt consists of senior notes at an interest rate of 4.62% that mature on May 1, 2059. Interest on the notes are payable semi-annually in arrears. The proceeds of the debt, along with cash on hand, were utilized to fund the purchase price of the acquisition.

Oahu Solar Holdings LLC

Due to the Company consolidating the Oahu Partnership, as further described in Note 4 — *Investments Accounted for by the Equity Method and Variable Interest Entities*, the Company assumed non-recourse debt of $143 million related to Oahu Solar Holdings, LLC. The debt consists of a construction loan and an ITC bridge loan with a total commitment amount of $162 million, both at an interest rate of LIBOR plus 1.375%. The construction loan will convert to a term loan upon completion of certain milestones with an expected maturity of October 2026, and the ITC bridge loan will be paid at term conversion with the final proceeds from the tax equity investor. Interest on the construction loan and ITC bridge loan is payable monthly in arrears and will convert to quarterly payments once the construction loan converts to a term loan.

Kawailoa Solar Holdings LLC

Due to the Company consolidating the Kawailoa Partnership, as further described in Note 4 — *Investments Accounted for by the Equity Method and Variable Interest Entities*, the Company assumed non-recourse debt of $120 million related to Kawailoa Solar Holdings, LLC. The debt consists of a construction loan and an ITC bridge loan, with a total commitment amount of $137 million both at an interest rate of LIBOR plus 1.375%. The construction loan will convert to a term loan upon completion of certain milestones with an expected maturity of October 2026, and the ITC bridge loan will be paid at term conversion with the final proceeds from the tax equity investor. Interest on the construction loan and ITC bridge loan is payable monthly in arrears and will convert to quarterly payments once the construction loan converts to a term loan.

South Trent Refinancing

On June 14, 2019, the Company, through South Trent Wind LLC, refinanced $49 million of non-recourse debt due 2020 at interest rate of LIBOR plus 1.625% by issuing $46 million of new non-recourse financing due 2028 at an interest rate of LIBOR plus 1.350%.

Tapestry Refinancing

On April 29, 2019, the Company, through Tapestry Wind LLC, refinanced $147 million of non-recourse debt due 2021 at interest rate of LIBOR plus 1.75% by issuing $164 million of new non-recourse financing due 2031 at an interest rate of LIBOR plus 1.375%.

Note 8 — *Earnings Per Share*

Basic earnings per common share is computed by dividing net income by the weighted average number of common shares outstanding. Shares issued during the year are weighted for the portion of the year that they were outstanding. Diluted earnings per share is computed in a manner consistent with that of basic earnings per share while giving effect to all potentially dilutive common shares that were outstanding during the period.

The reconciliation of Clearway Energy, Inc.'s basic and diluted earnings per share is shown in the following tables:

	Three months ended September 30,			
	2019		2018	
(In millions, except per share data) (a)	Common Class A	Common Class C	Common Class A	Common Class C
Basic earnings per share attributable to Clearway Energy, Inc. common stockholders				
Net income attributable to Clearway Energy, Inc.	$ 12	$ 27	$ 7	$ 14
Weighted average number of common shares outstanding — basic	35	73	35	69
Earnings per weighted average common share — basic	$ 0.36	$ 0.36	$ 0.20	$ 0.20
Diluted earnings per share attributable to Clearway Energy, Inc. common stockholders				
Net income attributable to Clearway Energy, Inc.	$ 12	$ 27	$ 7	$ 14
Weighted average number of common shares outstanding — diluted	35	75	35	69
Earnings per weighted average common share — diluted	$ 0.36	$ 0.36	$ 0.20	$ 0.20

	Nine months ended September 30,			
	2019		2018	
(In millions, except per share data) (a)	Common Class A	Common Class C	Common Class A	Common Class C
Basic earnings per share attributable to Clearway Energy, Inc. common stockholders				
Net (loss) income attributable to Clearway Energy, Inc.	$ (2)	$ (3)	$ 40	$ 76
Weighted average number of common shares outstanding — basic and diluted	35	73	35	67
(Losses) Earnings per weighted average common share — basic	$ (0.04)	$ (0.04)	$ 1.14	$ 1.14
Diluted earnings per share attributable to Clearway Energy, Inc. common stockholders				
Net (loss) income attributable to Clearway Energy, Inc.	$ (2)	$ (3)	$ 40	$ 85
Weighted average number of common shares outstanding — diluted	35	73	35	77
(Losses) Earnings per weighted average common share — diluted	$ (0.04)	$ (0.04)	$ 1.14	$ 1.10

(a) Basic and diluted earnings per share might not recalculate due to presenting values in millions rather than whole dollars.

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The following table summarizes the Company's outstanding equity instruments that are anti-dilutive and werenot included in the computation of the Company's diluted earnings per share:

	Three months ended September 30,		Nine months ended September 30,	
	2019	**2018**	**2019**	**2018**
	(In millions of shares)			
2020 Convertible Notes - Common Class C	-	10	2	-

Note 9 — *Segment Reporting*

The Company’s segment structure reflects how management currently operates and allocates resources. The Company's businesses are segregated based on conventional power generation, renewable businesses which consist of solar and wind, and the thermal and chilled water business. The Corporate segment reflects the Company's corporate costs. The Company's chief operating decision maker, its Chief Executive Officer, evaluates the performance of its segments based on operational measures including adjusted earnings before interest, taxes, depreciation and amortization, or Adjusted EBITDA, and CAFD, as well as economic gross margin and net income (loss).

	Three months ended September 30, 2019				
(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Corporate**	**Total**
Operating Revenues	$ 90	$ 151	$ 55	$ -	$ 296
Cost of operations	14	36	36	-	86
Depreciation and amortization	25	80	7	-	112
General and administrative	-	1	1	5	7
Development costs	-	-	1	-	1
Operating Income (Loss)	51	34	10	(5)	90
Equity in earnings of unconsolidated affiliates	3	35	-	-	38
Other income, net	-	2	-	-	2
Interest expense	(13)	(65)	(5)	(23)	(106)
Income (Loss) Before Income Taxes	41	6	5	(28)	24
Income tax benefit	-	-	-	(11)	(11)
Net Income (Loss)	$ 41	$ 6	$ 5	$ (17)	$ 35
Total Assets	$ 1,766	$ 6,330	$ 632	$ 110	$ 8,838

	Three months ended September 30, 2018				
(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Corporate**	**Total**
Operating Revenues	$ 87	$ 152	$ 53	$ -	$ 292
Cost of operations	12	39	33	-	84
Depreciation and amortization	26	52	6	-	84
General and administrative	-	-	-	6	6
Acquisition-related transaction and integration costs	-	-	-	17	17
Development costs	-	-	-	1	1
Operating Income (Loss)	49	61	14	(24)	100
Equity in earnings of unconsolidated affiliates	3	29	-	-	32
Other income, net	-	1	-	1	2
Interest expense	(13)	(36)	(4)	(21)	(74)
Income (Loss) Before Income taxes	39	55	10	(44)	60
Income tax expense	-	-	-	11	11
Net Income (Loss)	$ 39	$ 55	$ 10	$ (55)	$ 49

(In millions)	Nine months ended September 30, 2019				
	Conventional Generation	Renewables	Thermal	Corporate	Total
Operating Revenues	$ 253	$ 392	$ 152	$ -	$ 797
Cost of operations	44	106	99	-	249
Depreciation and amortization	75	190	20	-	285
Impairment losses	-	-	19	-	19
General and administrative	-	1	2	17	20
Acquisition-related transaction and integration costs	-	-	-	2	2
Development costs	-	-	4	-	4
Operating Income (Loss)	134	95	8	(19)	218
Equity in earnings of unconsolidated affiliates	7	45	-	-	52
Other income, net	1	4	-	1	6
Loss on debt extinguishment	-	(1)	-	-	(1)
Interest expense	(45)	(213)	(13)	(66)	(337)
Income (Loss) Before Income Taxes	97	(70)	(5)	(84)	(62)
Income tax benefit	-	-	-	(14)	(14)
Net Income (Loss)	$ 97	$ (70)	$ (5)	$ (70)	$ (48)

(In millions)	Nine months ended September 30, 2018				
	Conventional Generation	Renewables	Thermal	Corporate	Total
Operating Revenues	$ 251	$ 427	$ 146	$ -	$ 824
Cost of operations	44	106	97	-	247
Depreciation and amortization	76	154	17	-	247
General and administrative	-	-	-	17	17
Acquisition-related transaction and integration costs	-	-	-	19	19
Development costs	-	-	-	1	1
Operating Income (Loss)	131	167	32	(37)	293
Equity in earnings of unconsolidated affiliates	8	57	-	-	65
Other income, net	1	2	-	1	4
Interest expense	(33)	(95)	(8)	(64)	(200)
Income (Loss) Before Income Taxes	107	131	24	(100)	162
Income tax expense	-	-	-	17	17
Net Income (Loss)	$ 107	$ 131	$ 24	$ (117)	$ 145

Note 10 — *Income Taxes*

Effective Tax Rate

The income tax provision consisted of the following:

(In millions, except percentages)	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Income (Loss) Before Income Taxes	$ 24	$ 60	$ (62)	$ 162
Income tax (benefit) expense	(11)	11	(14)	17
Effective income tax rate	(46)%	18.3%	22.6%	10.5%

For the three and nine months ended September 30, 2019 and 2018, the overall effective tax rate was different than the statutory rate of 21% primarily due to taxable earnings and losses allocated to partners' interest in Clearway Energy LLC, which includes the effects of applying HLBV method of accounting for book purposes for certain partnerships.

For tax purposes, Clearway Energy LLC is treated as a partnership, therefore, the Company and CEG each record their respective share of taxable income or loss.

Note 11 — *Related Party Transactions*

In addition to the transactions and relationships described elsewhere in the notes to the consolidated financial statements, certain subsidiaries of CEG provide services to the Company's project entities. Amounts due to CEG subsidiaries are recorded as accounts payable - affiliate and amounts due to the Company from CEG subsidiaries are recorded as accounts receivable - affiliate in the Company's balance sheet. The disclosures below summarize the Company's material related party transactions with CEG and its subsidiaries that are included in the Company's operating revenues and operating costs.

As discussed in Note 1 — *Nature of Business,* on August 31, 2018, NRG sold 100% of its interest in CEG to GIP, and as a result, CEG and its subsidiaries are considered related parties during the period ended September 30, 2019, and NRG and its subsidiaries were considered related parties during the period ended September 30, 2018.

Related Party Transactions with CEG entities

Services Agreements by and between the Company and Clearway Renewable Operation & Maintenance LLC (formerly NRG Renew Operation & Maintenance LLC) and other CEG subsidiaries

Various wholly-owned subsidiaries of the Company in the Renewables segment are party to services agreements with Clearway Renewable Operation & Maintenance LLC (formerly NRG Renew Operation & Maintenance LLC), or RENOM, a wholly-owned subsidiary of CEG, as well as other CEG subsidiaries, which provides operation and maintenance, or O&M, and administrative services to these subsidiaries. The Company incurred total expenses for these services of $8 million and $22 million for each of the three and nine months ended September 30, 2019, respectively. The Company incurred total expenses for these services of $7 million and $22 million for each of the three and nine months ended September 30, 2018, respectively. There was a balance of $8 million and $6 million due to RENOM as of September 30, 2019 and December 31, 2018, respectively.

CEG Master Services Agreements

Following the consummation of the GIP Transaction, Clearway Energy, Inc. along with Clearway Energy LLC and Clearway Energy Operating LLC entered into Master Services Agreements with CEG, pursuant to which CEG and certain of its affiliates or third party service providers began providing certain services to the Company, including operational and administrative services, which include human resources, information systems, external affairs, accounting, procurement and risk management services, and the Company began providing certain services to CEG, including accounting, internal audit, tax and treasury services, in exchange for the payment of fees in respect of such services.

Amounts due to CEG or its subsidiaries are recorded as accounts payable - affiliate and amounts due to the Company from CEG and subsidiaries are recorded as accounts receivable - affiliate on the Company's consolidated balance sheet.

Related Party Transactions with NRG prior to the GIP Transaction

The following transactions relate to the period prior to sale of NRG's interest in CEG to GIP on August 31, 2018 and therefore were considered to be related party transactions for all the periods prior to August 31, 2018.

Power Purchase Agreements (PPAs) between the Company and NRG Power Marketing

Elbow Creek and Dover were parties to PPAs with NRG Power Marketing, a wholly-owned subsidiary of NRG, and generated revenue under the PPAs, which were recorded to operating revenue in the Company's consolidated statements of operations. For the two and eight months ended August 31, 2018, Elbow Creek and Dover, collectively, generated revenue of $2 million and $8 million, respectively. Dover's PPA with NRG Power Marketing ended as of December 31, 2018.

Energy Marketing Services Agreement by and between Thermal entities and NRG Power Marketing

Energy Center Dover LLC, Energy Center Minneapolis, Energy Center Phoenix LLC, and Energy Center Paxton LLC, or Thermal entities, which are subsidiaries of the Company, are parties to Energy Marketing Services Agreements with NRG Power Marketing. Under the agreements, NRG Power Marketing procures fuel and fuel transportation for the operation of the Thermal entities. For the two and eight months ended August 31, 2018, the Thermal entities purchased $1 million and $7 million, respectively, of natural gas from NRG Power Marketing.

O&M Services Agreements by and between the Company's subsidiaries and NRG

Certain of the Company's subsidiaries are party to O&M Service Agreements with NRG, pursuant to which NRG subsidiaries provide necessary and appropriate services to operate and maintain the subsidiaries' plant operations. NRG was reimbursed for the provided services, as well as for all reasonable and related expenses and expenditures, and payments to third parties for services and materials rendered to or on behalf of the parties to the agreements. The fees incurred under these agreements were $7 million and $27 million and for the two and eight months ended August 31, 2018, respectively.

O&M Services Agreements by and between GenConn and NRG

GenConn incurs fees under two O&M agreements with wholly-owned subsidiaries of NRG. For thetwo and eight months ended August 31, 2018, the aggregate fees incurred under the agreements were $1 million and $4 million, respectively.

Project Administrative Services Agreement by and between ESEC and NRG West Coast LLC

During 2018, ESEC, NRG West Coast LLC and NRG Power Marketing LLC, or PML, entered into confirmation agreements under the Project Administration Services Agreement between ESEC and NRG West Coast LLC, whereby PML purchased California Carbon Allowances which ESEC could subsequently purchase for the purposes of ESEC's compliance with the California Cap-and-Trade Program. ESEC reimbursed costs under these agreements of $7 million and $11 million for the two and eight months ended August 31, 2018.

Administrative Services Agreement by and between Marsh Landing and NRG West Coast LLC

Marsh Landing is a party to an administrative services agreement with NRG West Coast LLC, a wholly owned subsidiary of NRG. The Company reimbursed costs under the agreement of $2 million and $11 million for the two and eight months ended August 31, 2018, respectively.

Management Services Agreement by and between the Company and NRG

Prior to the GIP Transaction, NRG provided the Company with various operational, management, and administrative services, which include human resources, accounting, tax, legal, information systems, treasury, and risk management, as set forth in the Management Services Agreement. Costs incurred under this agreement for the two and eight months ended August 31, 2018 were $2 million and $7 million, respectively. The costs incurred under the Management Services Agreement included certain direct expenses incurred by NRG on behalf of the Company in addition to the base management fee. Subsequent to the GIP Transaction, the Company entered into the NRG TSA pursuant to which NRG or certain of its affiliates began providing certain services to the Company following the consummation of the GIP Transaction, in exchange for the payment of a fee in respect of such services. Expenses related to the NRG TSA are recorded in transaction and integration costs in the consolidated statements of operations.

On August 31, 2018, in connection with the consummation of the GIP Transaction, the Company entered into a Termination Agreement with Clearway Energy LLC, Clearway Energy Operating LLC and NRG terminating the Management Services Agreement, dated as of July 22, 2013 by and among the Company, Clearway Energy LLC, Clearway Energy Operating LLC and NRG. Concurrently with entering into the Termination Agreement on August 31, 2018, the Company entered into a Transition Services Agreement with NRG, as further described in Note1 — *Nature of Business.*

Note 12 — *Contingencies*

This note should be read in conjunction with the complete description under Note16 — *Commitments and Contingencies*, to the Company's 2018 Form 10-K.

Contingencies

The Company's material legal proceedings are described below. The Company believes that it has valid defenses to these legal proceedings and intends to defend them vigorously. The Company records reserves for estimated losses from contingencies when information available indicates that a loss is probable and the amount of the loss, or range of loss, can be reasonably estimated. As applicable, the Company has established an adequate reserve for the matters discussed below. In addition, legal costs are expensed as incurred. Management assesses such matters based on current information and makes a judgment concerning its potential outcome, considering the nature of the claim, the amount and nature of damages sought, and the probability of success. The Company is unable to predict the outcome of the legal proceedings below or reasonably estimate the scope or amount of any associated costs and potential liabilities. As additional information becomes available, management adjusts its assessment and estimates of such contingencies accordingly. Because litigation is subject to inherent uncertainties and unfavorable rulings or developments, it is possible that the ultimate resolution of the Company's liabilities and contingencies could be at amounts that are different from its currently recorded reserves and that such difference could be material.

In addition to the legal proceedings noted below, the Company and its subsidiaries are party to other litigation or legal proceedings arising in the ordinary course of business. In management's opinion, the disposition of these ordinary course matters will not materially adversely affect the Company's consolidated financial position, results of operations, or cash flows.

Nebraska Public Power District Litigation

On January 11, 2019, Nebraska Public Power District, or NPPD, sent written notice to certain of the Company's subsidiaries which own the Laredo Ridge and Elkhorn Ridge wind projects alleging an event of default under each of the PPAs between NPPD and the projects. NPPD alleges that the Company moved forward with certain transactions without obtaining the consent of NPPD. NPPD threatened to terminate the applicable PPAs by February 11, 2019 if the alleged default was not cured. The Company filed a motion for a temporary restraining order and preliminary injunction in the U.S. District Court for the District of Nebraska relating to the Laredo Ridge project, and a similar motion in the District Court of Knox County, Nebraska for the Elkhorn Ridge project, to enjoin NPPD from taking any actions related to the PPAs. On February 19, 2019, the U.S. District Court in the Laredo Ridge matter approved a stipulation between the parties to provide for an injunction preventing NPPD from terminating the PPA pending disposition of the litigation. On February 26, 2019, the Knox County District Court approved a similar stipulation relating to the Elkhorn Ridge project. Additionally, Elkhorn Ridge was added as a third-party defendant to the litigation in the U.S. District Court. On September 23, 2019, NPPD filed amended complaints in the U.S. District Court, to which Laredo Ridge and Elkhorn Ridge responded on October 7, 2019. The Company believes the allegations of NPPD are meritless and the Company is vigorously defending its rights under the PPAs.

Buckthorn Solar Litigation

On October 8, 2019, the City of Georgetown, Texas, or Georgetown, filed a petition in the District Court of Williamson County, Texas naming Buckthorn Westex, LLC, the Company's subsidiary that owns the Buckthorn Westex solar project, as the defendant, alleging fraud by nondisclosure and breach of contract in connection with the project and the PPA, and seeking (i) rescission and/or cancellation of the PPA, (ii) declaratory judgment that the alleged breaches constitute an event of default under the PPA entitling Georgetown to terminate, and (iii) recovery of all damages, costs of court, and attorneys' fees. Buckthorn Westex believes the allegations of Georgetown are meritless, and Buckthorn Westex is vigorously defending its rights under the PPA.

Note 13 — *Leases*

***Adoption of Topic* 842**

The Company adopted ASU No. 2019-01, Leases (Topic 842), or Topic 842, on January 1, 2019 using the modified retrospective transition method and therefore, prior period financial information has not been adjusted and continues to be reflected in accordance with the Company's historical accounting policy. Topic 842 requires the establishment of a lease liability and related right-of-use, or ROU, asset for all leases with a term longer than12 months. The Company elected certain of the permitted practical expedients, including the expedient that permits the Company to retain its existing lease assessment and classification. The Company also elected to account for lease and non-lease components for specific asset classes as a single lease component.

The adoption of the standard resulted in the recording of operating lease liabilities of $174 million and related ROU assets of $168 million. There was no impact to the Company's consolidated statement of operations or cash flows. The Company utilized its incremental borrowing rate at adoption date, ranging from 4.04% - 4.67%, to determine the amount of the lease liabilities.

Accounting for Leases

The Company evaluates each arrangement at inception to determine if it contains a lease. All of the Company's leases are operating leases as of September 30, 2019.

Lessee

The Company records its operating lease liabilities at the present value at lease commencement date of the lease payments over the lease term. Lease payments include fixed payment amounts, as well as variable rate payments based on an index initially measured at lease commencement date. Variable payments, including payments based on future performance and based on index changes, are recorded as the expense is incurred. The Company determines the relevant lease term by evaluating whether renewal and termination options are reasonably to certain to be exercised. The Company uses its incremental borrowing rate to calculate the present value of the lease payments, based on information available at the lease commencement date.

The Company's leases consist of land leases for numerous operating asset locations, real estate leases and equipment leases. The terms and conditions for these leases vary by the type of underlying asset.

Lease expense for the three and nine months ended September 30, 2019 was comprised of the following:

(In millions)	Three months ended September 30, 2019	Nine months ended September 30, 2019
Operating lease cost	$ 2	$ 6
Variable lease cost	3	10
Total lease cost	$ 5	$ 16

Operating lease information as of September 30, 2019 was as follows:

(In millions, except term and rate)	
ROU Assets - operating leases, net	$ 191
Short-term lease liability - operating leases[(a)]	6
Long-term lease liability - operating leases	193
Total lease liability	$ 199
Cash paid for operating leases	$ 7
Weighted average remaining lease term	24
Weighted average discount rate	4.4%

[(a)] Short-term lease liability balances are included within the accrued expenses and other current liabilities line item of the consolidated balance sheets as of September 30, 2019.

Maturities of operating lease liabilities as of September 30, 2019 are as follows:

(In millions)	
Remainder of 2019	$ 4
2020	14
2021	14
2022	14
2023	13
Thereafter	267
Total lease payments	326
Less imputed interest	(127)
Total lease liability - operating leases	$ 199

Future minimum lease commitments under operating leases as of December 31, 2018 are as follows:

(In millions)	
2019	$ 13
2020	13
2021	13
2022	13
2023	12
Thereafter	207
Total lease payments	$ 271

Oahu Solar Lease Agreements

The Oahu Solar projects are party to various land lease agreements with a wholly owned subsidiary of CEG. The projects are leasing the land for a period of 35 years, with the ability to renew the lease for two additional five year periods. The Company has a lease liability of $21 million and corresponding right-of-use asset of $19 million related to the leases as of September 30, 2019.

Lessor

The majority of the Company's revenue is obtained through PPAs or other contractual agreements that are accounted for as leases. These leases are comprised of both fixed payments and variable payments contingent upon volumes or performance metrics. The terms of the leases are further described in Item 2 — MD&A, *Introduction, Environmental, Regulatory* of this Form 10-Q. Many of the leases have renewal options at the end of the lease term. Termination may be allowed under specific circumstances in the lease arrangements, such as under an event of default. All of the Company's leases are operating leases. Certain of these leases have both lease and non-lease components, and the Company allocates the transaction price to the components based on standalone selling prices. As disclosed in Note 2 — *Summary of Significant Accounting Policies*, the following amounts of energy and capacity revenue are related to the Company's leases:

Three months ended September 30, 2019

(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Total**
Energy revenue	$ 2	$ 160	$ 1	$ 163
Capacity revenue	89	-	-	89
Operating revenue	$ 91	$ 160	$ 1	$ 252

Nine months ended September 30, 2019

(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Total**
Energy revenue	$ 4	$ 416	$ 2	$ 422
Capacity revenue	253	-	-	253
Operating revenue	$ 257	$ 416	$ 2	$ 675

Minimum future rent payments under the operating leases for the remaining periods as ofSeptember 30, 2019:

(In millions)		
Remainder of 2019	$	91
2020		337
2021		341
2022		346
2023		154
Total lease payments	$	1,269

Property, plant and equipment, net related to the Company's operating leases were as follows as ofSeptember 30, 2019:

(In millions)		
Property, plant and equipment	$	6,230
Accumulated depreciation		(1,600)
Net property, plant and equipment	$	4,629

Note 14 — Asset Impairments

The Company recorded an impairment loss of $19 million related to a facility in the Thermal segment during thesecond quarter of 2019. The fair value of the facility was determined using an income approach by applying a discounted cash flow methodology to the long-term budgets for each respective plant. The income approach utilized estimates of discounted future cash flows, which were Level 3 fair value measurement and include key inputs, such as forecasted power prices, operations and maintenance expense, and discount rates. The Company measured the impairment loss as the difference between the carrying amount and the fair value of the assets.

ITEM 2 — Management's Discussion and Analysis of Financial Condition and the Results of Operations

The following discussion analyzes the Company's historical financial condition and results of operations.

As you read this discussion and analysis, refer to the Company's Consolidated Financial Statements to this Form 10-Q, which present the results of operations for the nine months ended September 30, 2019 and 2018. Also refer to the Company's 2018 Form 10-K, which includes detailed discussions of various items impacting the Company's business, results of operations and financial condition.

The discussion and analysis below has been organized as follows:

- Executive Summary, including a description of the business and significant events that are important to understanding the results of operations and financial condition;

- Known trends that may affect the Company's results of operations and financial condition in the future;

- Results of operations, including an explanation of significant differences between the periods in the specific line items of the consolidated statements of income;

- Financial condition addressing liquidity position, sources and uses of cash, capital resources and requirements, commitments, and off-balance sheet arrangements; and

- Critical accounting policies which are most important to both the portrayal of the Company's financial condition and results of operations, and which require management's most difficult, subjective or complex judgment.

Executive Summary

Introduction and Overview

Clearway Energy, Inc. together with its consolidated subsidiaries, or the Company, is a publicly-traded energy infrastructure investor in and owner of modern, sustainable and long-term contracted assets across North America. The Company is indirectly owned by Global Infrastructure Partners III. Global Infrastructure Management, LLC is an independent fund manager of funds that invests in infrastructure assets in the energy and transport sectors, and Global Infrastructure Partners III is its third equity fund. The Company is sponsored by GIP through GIP's portfolio company, CEG.

The Company's environmentally-sound asset portfolio includes over 5,330 MW of wind, solar and natural gas-fired power generation facilities, as well as district energy systems. Through this diversified and contracted portfolio, the Company endeavors to provide its investors with stable and growing dividend income. Substantially all of the Company's generation assets are under long-term contractual arrangements for the output or capacity from these assets. The weighted average remaining contract duration of these offtake agreements was approximately 14 years as of September 30, 2019 based on CAFD. The Company also owns thermal infrastructure assets with an aggregate steam and chilled water capacity of 1,530 net MWt and electric generation capacity of 139 net MW. These thermal infrastructure assets provide steam, hot and/or chilled water, and, in some instances, electricity to commercial businesses, universities, hospitals and governmental units in multiple locations, principally through long-term contracts or pursuant to rates regulated by state utility commissions.

As of September 30, 2019, the Company's operating assets are comprised of the following projects:

Projects	Percentage Ownership	Net Capacity (MW)[(a)]	Offtake Counterparty	Expiration
Conventional				
El Segundo	100%	550	Southern California Edison	2023
GenConn Devon	50%	95	Connecticut Light & Power	2040
GenConn Middletown	50%	95	Connecticut Light & Power	2041
Marsh Landing	100%	720	Pacific Gas and Electric	2023
Walnut Creek	100%	485	Southern California Edison	2023
		1,945		
Utility Scale Solar				
Agua Caliente	16%	46	Pacific Gas and Electric	2039
Alpine	100%	66	Pacific Gas and Electric	2032
Avenal	50%	23	Pacific Gas and Electric	2031
Avra Valley	100%	26	Tucson Electric Power	2032
Blythe	100%	21	Southern California Edison	2029
Borrego	100%	26	San Diego Gas and Electric	2038
Buckthorn Solar [(b)]	100%	154	City of Georgetown, TX	2043
CVSR	100%	250	Pacific Gas and Electric	2038
Desert Sunlight 250	25%	63	Southern California Edison	2034
Desert Sunlight 300	25%	75	Pacific Gas and Electric	2039
Kansas South	100%	20	Pacific Gas and Electric	2033
Oahu Solar Projects [(b)]	95%	58	Hawaiian Electric Company, Inc.	2041

Roadrunner	100%	20	El Paso Electric	2031
TA High Desert	100%	20	Southern California Edison	2033
Utah Solar Portfolio [b] [e]	50%	265	PacifiCorp	2036
		1,133		
Distributed Solar				
Apple I LLC Projects [h]	100%	9	Various	2032
AZ DG Solar Projects	100%	5	Various	2025 - 2033
SPP Projects	100%	25	Various	2026 - 2037
Other DG Projects	100%	13	Various	2023 - 2040
		52		
Wind				
Alta I	100%	150	Southern California Edison	2035
Alta II	100%	150	Southern California Edison	2035
Alta III	100%	150	Southern California Edison	2035
Alta IV	100%	102	Southern California Edison	2035
Alta V	100%	168	Southern California Edison	2035

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Projects	Percentage Ownership	Net Capacity (MW)[a]	Offtake Counterparty	Expiration
Alta X [b]	100%	137	Southern California Edison	2038
Alta XI [b]	100%	90	Southern California Edison	2038
Buffalo Bear	100%	19	Western Farmers Electric Co-operative	2033
Crosswinds	99%	21	Corn Belt Power Cooperative	2027
Elbow Creek [f] [g]	100%	122	NRG Power Marketing LLC	2022
Elkhorn Ridge	66.70%	54	Nebraska Public Power District	2029
Forward	100%	29	Constellation NewEnergy, Inc.	2022
Goat Wind	100%	150	Dow Pipeline Company	2025
Hardin	99%	15	Interstate Power and Light Company	2027
Laredo Ridge	100%	80	Nebraska Public Power District	2031
Lookout	100%	38	Southern Maryland Electric Cooperative	2030
Odin	99.90%	20	Missouri River Energy Services	2028
Pinnacle	100%	55	Maryland Department of General Services and University System of Maryland	2032
San Juan Mesa	75%	90	Southwestern Public Service Company	2025
Sleeping Bear	100%	95	Public Service Company of Oklahoma	2032
South Trent	100%	101	AEP Energy Partners	2029
Spanish Fork	100%	19	PacifiCorp	2028
Spring Canyon II [b]	90.10%	29	Platte River Power Authority	2039
Spring Canyon III [b]	90.10%	25	Platte River Power Authority	2039
Taloga	100%	130	Oklahoma Gas & Electric	2031
Wildorado [f]	100%	161	Southwestern Public Service Company	2027
		2,200		
Thermal				
Energy Center Dover LLC [h]	100%	103	Power sold into PJM markets	2021
Thermal generation	100%	36	Various	Various
		139		
Total net generation capacity[c]		5,469		
Thermal equivalent MWt [d]	100%	1,530	Various	Various

[a] Net capacity represents the maximum, or rated, generating capacity of the facility multiplied by the Company's percentage ownership in the facility as of September 30, 2019.

[b] Projects are part of tax equity arrangements.

[c] The Company's total generation capacity is net of 6 MWs for noncontrolling interest for Spring Canyon II and III. The Company's generation capacity including this noncontrolling interest was 5,475 MWs.

[d] For thermal energy, net capacity represents MWt for steam or chilled water and excludes 44 MWt available under the right-to-use provisions contained in agreements between two of the Company's thermal facilities and certain of its customers.

[e] Represents interests in Four Brothers Solar, LLC, Granite Mountain Holdings, LLC, and Iron Springs Holdings, LLC, all acquired as part of the March 2017 Drop Down Assets (ownership percentage is based upon cash to be distributed).

[f] Projects are part of Repowering Partnership.

[g] In addition, the Company will sell power under a market-based hedge contract provided by an investment grade bank counterparty, which is effective from November 1, 2022, through October 31, 2029.

[h] Includes assets recorded as held for sale as of September 30, 2019, as further described in Note 3— *Acquisitions and Dispositions* of this Form 10-Q.

In addition to the facilities owned or leased in the table above, the Company is party to partnerships which own or purchase solar power generation projects, as well as other ancillary related assets from a related party via intermediate funds. The Company does not consolidate these partnerships and accounts for them as equity method investments. The Company's net interest in these projects is 268 MW based on cash to be distributed pursuant to the partnership agreements as of September 30, 2019. For further discussions, see Item 15, Note 4 — *Investments Accounted for by the Equity Method and Variable Interest Entities* of this Form 10-Q and Item 1, Note 5— *Investments Accounted for by the Equity Method and Variable Interest Entities* to the consolidated financial statements included in the Company's 2018 Form 10-K.

Significant Events

Pacific Gas and Electric Company Bankruptcy

- On January 29, 2019, PG&E filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Northern District of California, or the Bankruptcy Court. Certain subsidiaries of the Company, which hold interests in 6 solar facilities totaling 480 MW and Marsh Landing with capacity of 720 MW, sell the output of their facilities to PG&E under long-term PPAs. The Company consolidates three of the solar facilities and Marsh Landing and records its interest in the other solar facilities as equity method investments. As of September 30, 2019, the Company had $147 million in restricted cash, $1.4 billion of property, plant and equipment, net, $370 million investments in unconsolidated affiliates and $1.3 billion of borrowings with final maturity dates ranging from 2023 - 2038 related to these facilities. The related subsidiaries of the Company are parties to financing agreements consisting of non-recourse project-level debt and, in certain cases, non-recourse holding company debt. The PG&E Bankruptcy has triggered defaults under the PPAs with PG&E and such related financing agreements, as further discussed in Item 1, Note 7— *Long-term Debt*. As a result, the Company recorded approximately $1.3 billion of principal, net of the related unamortized debt issuance costs, with final maturity dates ranging from 2023 - 2038, as short-term debt.

  As of November 6, 2019, the Company's contracts with PG&E have operated in the normal course and the Company currently expects these contracts to continue as such. On September 23, 2019, PG&E filed the *Debtors' First Amended Joint Chapter 11 Plan of Reorganization,* or the PG&E Plan, which would provide for PG&E to assume all of its PPAs with the Company. The PG&E Plan is not expected to be considered for confirmation by the Bankruptcy Court until the conclusion of a proceeding to estimate PG&E's liability for prior wildfires, now pending before the United States District Court for the Northern District of California, and scheduled for trial commencing on February 18, 2020. Additionally, on October 9, 2019, the Bankruptcy Court entered an order terminating the period in which PG&E had the exclusive right to prosecute a plan of reorganization. On October 17, 2019, an ad hoc group of senior noteholders filed a competing plan of reorganization, which would also provide for PG&E to assume all of its PPAs with the Company. As of November 6, 2019, the Company has entered into forbearance agreements for certain project-level financing arrangements, and continues to seek forbearance agreements for its other project-level financing arrangements affected by the PG&E Bankruptcy. The Company continues to assess the potential future impacts of the PG&E bankruptcy filing as events occur.

Financing and Equity Activities

Carlsbad Energy Center Financing

- On November 4, 2019, Carlsbad Energy Holdings LLC, a subsidiary of GIP and owner of the 527 MW Carlsbad Energy Center, or Carlsbad, issued $216 million of senior secured, non-recourse notes. The notes bear an interest rate of 4.21%, and are fully amortizing over 19 years. The Company previously executed an equity backstop agreement with GIP for the future acquisition of Carlsbad. Pursuant to the terms previously agreed by and between the Company and GIP, the Company maintains the option until August 2020 to acquire Carlsbad from GIP. Should the Company not exercise the call right to acquire the asset by August 2020, Carlsbad will become part of the Company's ROFO pipeline thereafter.

Agua Caliente Borrower 2 Debt Repayment

- On October 21, 2019, the Company, through Agua Caliente Borrower 2 LLC, repaid $40 million of the outstanding notes balance, including accrued interest and premiums, issued under the Agua Caliente Holdco Financing Agreement. The repayment was funded with Company's existing liquidity.

Thermal Activities

Sale of Energy Center Dover LLC and Energy Center Smyrna LLCassets

- On September 5, 2019, the Company entered into a purchase and sale agreement with DB Energy Assets, LLC to sell 100% of its interests in Energy Center Dover LLC and Energy Center Smyrna LLC. The transaction is subject to standard regulatory approvals and the completion of certain maintenance activities. The related assets and liabilities were recorded as held for sale as of September 30, 2019.

Agreements with Cayo Largo

- On September 29, 2019, the Company entered into a tolling agreement with Cayo Largo LLC to supply electricity, chilled water, hot water and natural gas to Cayo Largo LLC's customer through a dedicated combined heat and power facility to be constructed by the Company. The Company anticipates the project to total $13 million in capital expenditures and is expected to commence commercial operations in the fourth quarter of 2020. The Company incurred $3 million of capital expenditures recorded in the property, plant and equipment, net on the Company's consolidated balances sheet as of September 30, 2019.

CEG ROFO Agreement Amendment

- On August 1, 2019, the CEG ROFO Agreement was amended to grant the Company a right of first offer for four additional projects - Rattlesnake, a 144 MW utility scale wind facility located in Washington State with an expected COD in 2020; Black Rock, a 110 MW utility scale wind facility located in West Virginia with an expected COD in 2021; Repowering 2.0, which will consist of membership interests in one or more partnerships formed to repower Company wind assets using turbines provided by CEG; and Wildflower, a 100 MW utility scale solar facility located in Mississippi with an expected COD in 2021.

Drop Down Offer

- On June 18, 2019, CEG offered the Company the opportunity to purchase 100% of CEG's interests in Mesquite Star Pledgor LLC, which owns the Mesquite Star wind project, a 419 MW utility scale wind facility expected to reach COD in 2020. On August 1, 2019, CEG and the Company agreed to extend the negotiation period for the Mesquite Star project. The Company elected not to pursue this investment.

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Environmental Matters

The Company is subject to a wide range of environmental laws in the development, construction, ownership and operation of projects. These laws generally require that governmental permits and approvals be obtained before construction and during operation of facilities. The Company is also subject to laws regarding the protection of wildlife, including migratory birds, eagles, and threatened and endangered species. Federal and state environmental laws have historically become more stringent over time, although this trend could change in the future.

In June 2019, the EPA finalized the Affordable Clean Energy (ACE) rule which establishes emission guidelines for states to develop plans to address greenhouse gas emissions from existing power plants. The ACE rule also reinforces the state's broad discretion in establishing and applying emissions standards to new emission sources. The ACE rule replaces the 2015 Clean Power Plan. The ACE rule is not expected to have a material impact on the Company's conventional generation assets.

Regulatory Matters

The Company's regulatory matters are described in the Company's 2018 Form 10-K in Item 1, *Business — Regulatory Matters* and Item 1A, *Risk Factors.*

Trends Affecting Results of Operations and Future Business Performance

The Company's trends are described in the Company's 2018 Form 10-K in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations - Trends Affecting Results of Operations and Future Business Performance* as well as below.

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Consolidated Results of Operations

The following table provides selected financial information:

	Three months ended September 30,			Nine months ended September 30,		
(In millions)	2019	2018	Change	2019	2018	Change
Operating Revenues						
Energy and capacity revenues	$ 305	$ 298	$ 7	$ 830	$ 847	$ (17)
Other revenues	11	11	-	28	29	(1)
Contract amortization	(18)	(17)	(1)	(52)	(52)	-
Mark-to-market economic hedging activities	(2)	-	(2)	(9)	-	(9)
Total operating revenues	296	292	4	797	824	(27)
Operating Costs and Expenses						
Cost of fuels	20	20	-	54	57	(3)
Operations and maintenance	52	45	7	144	139	5
Other costs of operations	14	19	(5)	51	51	-
Depreciation and amortization	112	84	28	285	247	38
Impairment losses	-	-	-	19	-	19
General and administrative	7	6	1	20	17	3
Transaction and integration costs	-	17	(17)	2	19	(17)
Development costs	1	1	-	4	1	3
Total operating costs and expenses	206	192	14	579	531	48
Operating Income	90	100	(10)	218	293	(75)
Other Income (Expense)						
Equity in earnings of unconsolidated affiliates	38	32	6	52	65	(13)
Other income, net	2	2	-	6	4	2
Loss on debt extinguishment	-	-	-	(1)	-	(1)
Interest expense	(106)	(74)	(32)	(337)	(200)	(137)
Total other expense, net	(66)	(40)	(26)	(280)	(131)	(149)
Income (Loss) Before Income Taxes	24	60	(36)	(62)	162	(224)

Income tax (benefit) expense	(11)	11	(22)	(14)	17	(31)
Net Income (Loss)	35	49	(14)	(48)	145	(193)
Less: Pre-acquisition net income of Drop Down Assets	-	-	-	-	4	(4)
Net Income (Loss) Excluding Pre-acquisition Net Income of Drop Down Assets	35	49	(14)	(48)	141	(189)
Less: (Loss) Income attributable to noncontrolling interests	(4)	28	(32)	(43)	25	(68)
Net Income Attributable to Clearway Energy, Inc.	$ 39	$ 21	$ 18	$ (5)	$ 116	$ (121)

Business metrics:	**Three months ended September 30, 2019**	**Three months ended September 30, 2018**	**Nine months ended September 30, 2019**	**Nine months ended September 30, 2018**
Renewables MWh generated/sold (in thousands) [(a)]	1,786	1,801	5,183	5,725
Thermal MWt sold (in thousands)	526	499	1,638	1,578
Thermal MWh sold (in thousands) [(b)]	79	15	138	33
Conventional MWh generated (in thousands) [(a)(c)]	501	611	826	1,416
Conventional equivalent availability factor	99.4%	97.0%	93.8%	93.2%

[(a)] Volumes do not include the MWh generated/sold by the Company's equity method investments.

[(b)] MWh sold do not include 56 MWh during the three months ended September 30, 2018 and 1 MWh and 85 MWh during the nine months ended September 30, 2019 and 2018, respectively, generated by Dover, a subsidiary of the Company, under the PPA with NRG Power Marketing, as further described in Note 11 — *Related Party Transactions*.

[(c)] Volumes generated are not sold by the Company as the Conventional facilities sell capacity rather than energy.

Management's Discussion of the Results of Operations for the Three Months Ended September 30, 2019 and 2018

Gross Margin

The Company calculates gross margin in order to evaluate operating performance as operating revenues less cost of sales, which includes cost of fuel, contract and emission credit amortization and mark-to-market for economic hedging activities.

Economic Gross Margin

In addition to gross margin, the Company evaluates its operating performance using the measure of economic gross margin, which is not a GAAP measure and may not be comparable to other companies' presentations or deemed more useful than the GAAP information provided elsewhere in this report. Economic gross margin should be viewed as a supplement to and not a substitute for the Company's presentation of gross margin, which is the most directly comparable GAAP measure. Economic gross margin is not intended to represent gross margin. The Company believes that economic gross margin is useful to investors as it is a key operational measure reviewed by the Company's chief operating decision maker. Economic gross margin is defined as energy and capacity revenue less cost of fuels. Economic gross margin excludes the following components from GAAP gross margin: contract amortization, mark-to-market results, emissions credit amortization and (losses) gains on economic hedging activities. Mark-to-market results consist of unrealized gains and losses on contracts that are not yet settled.

The below tables present the composition of gross margin, as well as the reconciliation to economic gross margin, for the three months ended September 30, 2019 and 2018:

(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Total**
Three months ended September 30, 2019				
Energy and capacity revenues	$ 91	$ 167	$ 47	$ 305
Other revenues	-	2	9	11
Cost of fuels	-	-	(20)	(20)
Contract amortization	(1)	(16)	(1)	(18)
Mark-to-market for economic hedges	-	(2)	-	(2)
Gross margin	90	151	35	276
Contract amortization	1	16	1	18
Mark-to-market for economic hedges	-	2	-	2
Economic gross margin	$ 91	$ 169	$ 36	$ 296
Three months ended September 30, 2018				
Energy and capacity revenues	$ 88	$ 163	$ 47	$ 298
Other revenues	-	4	7	11
Cost of fuels	-	-	(20)	(20)
Contract amortization	(1)	(15)	(1)	(17)
Gross margin	87	152	33	272
Contract amortization	1	15	1	17
Economic gross margin	$ 88	$ 167	$ 34	$ 289

Gross margin increased by $4 million primarily due to lower outages in 2019 compared to 2018 in the Conventional segment.

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Depreciation and Amortization Expense

Depreciation and amortization expense increased by $28 million during the three months ended September 30, 2019, compared to the same period in 2018, primarily due to accelerated depreciation at Wildorado Wind and Elbow Creek projects in connection with the repowering activities. For further discussion, see Note 4 — *Investments Accounted for by the Equity Method and Variable Interest Entities*.

Transaction and Integration Costs

Transaction and integration costs of $17 million during the three months ended September 30, 2018, primarily reflect fees paid to advisors and other costs associated with the GIP Transaction.

Equity in Earnings of Unconsolidated Affiliates

Equity in earnings of unconsolidated affiliates increased by $6 million during the three months ended September 30, 2019, compared to the same period in 2018, primarily due to income allocated to the Company using the HLBV method of accounting in its distributed partnerships with CEG. The HLBV method of accounting generally allocates more losses to the TE investors in the first several years after fund formation, and conversely, more income to the Company.

Interest Expense

Interest expense increased by $32 million during the three months ended September 30, 2019, compared to the same period in 2018, due to the following:

(In millions)	Increase (Decrease)
Change in fair value of interest rate swaps	$ 36
Lower interest expense in connection with lower project-level debt	(5)
Issuance of the 2025 Senior Notes in October 2018, partially offset by lower interest expense due to maturity and repayment of the remaining balance of the 2019 Convertible Notes in February 2019, as well as partial repayment of the 2020 Convertible Notes in October 2018	1
	$ 32

Income Tax Expense

For the three months ended September 30, 2019, the Company recorded income an income tax benefit of $11 million on pretax income of $24 million. For the same period in 2018, the Company recorded income tax expense of $11 million on pretax income of $60 million.

For the three months ended September 30, 2019 and 2018, the overall effective tax rates were different than the statutory rate of 21% primarily due to taxable earnings and losses allocated to partners' interests in Clearway Energy LLC, which includes the effects of applying HLBV method of accounting for book purposes for certain projects.

Income Attributable to Noncontrolling Interests

For the three months ended September 30, 2019, the Company had income of $22 million attributable to CEG's economic interest in Clearway Energy LLC, partially offset by a loss of $17 million attributable to noncontrolling interests with respect to its tax equity financing arrangements and the application of the HLBV method, as well a loss of $9 million attributable to CEG's interests in the Kawailoa, Oahu and Repowering partnerships. For the two months ended August 31, 2018, the Company had income of $14 million attributable to NRG's economic interest in Clearway Energy LLC. For the one month ended September 30, 2018, the Company had income of $15 million attributable to CEG's economic interest in Clearway Energy LLC and Repowering LLC. Additionally, for the three months ended September 30, 2018, the Company a loss of $1 million attributable to noncontrolling interests with respect to its tax equity financing arrangements and the application of the HLBV method.

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Management's Discussion of the Results of Operations for the Nine Months Ended September 30, 2019 and 2018

Gross Margin

The Company calculates gross margin in order to evaluate operating performance as operating revenues less cost of sales, which includes cost of fuel, contract and emission credit amortization and mark-to-market for economic hedging activities.

Economic Gross Margin

In addition to gross margin, the Company evaluates its operating performance using the measure of economic gross margin, which is not a GAAP measure and may not be comparable to other companies' presentations or deemed more useful than the GAAP information provided elsewhere in this report. Economic gross margin should be viewed as a supplement to and not a substitute for the Company's presentation of gross margin, which is the most directly comparable GAAP measure. Economic gross margin is not intended to represent gross margin. The Company believes that economic gross margin is useful to investors as it is a key operational measure reviewed by the Company's chief operating decision maker. Economic gross margin is defined as energy and capacity revenue less cost of fuels. Economic gross margin excludes the following components from GAAP gross margin: contract amortization, mark-to-market results, emissions credit amortization and (losses) gains on economic hedging activities. Mark-to-market results consist of unrealized gains and losses on contracts that are not yet settled.

The below tables present the composition of gross margin, as well as the reconciliation to economic gross margin, for the nine months ended September 30, 2019 and 2018:

(In millions)	Conventional Generation	Renewables	Thermal	Total
Nine months ended September 30, 2019				
Energy and capacity revenues	$ 257	$ 441	$ 132	$ 830
Other revenues	-	6	22	28
Cost of fuels	-	-	(54)	(54)
Contract amortization	(4)	(46)	(2)	(52)
Mark-to-market for economic hedges	-	(9)	-	(9)
Gross margin	253	392	98	743
Contract amortization	4	46	2	52
Mark-to-market for economic hedges	-	9	-	9
Economic gross margin	$ 257	$ 447	$ 100	$ 804
Nine months ended September 30, 2018				
Energy and capacity revenues	$ 255	$ 463	$ 129	$ 847
Other revenues	-	10	19	29
Cost of fuels	(2)	-	(55)	(57)
Contract amortization	(4)	(46)	(2)	(52)
Gross margin	249	427	91	767
Contract amortization	4	46	2	52
Economic gross margin	$ 253	$ 473	$ 93	$ 819

Gross margin decreased by $24 million during the nine months ended September 30, 2019, compared to the same period in 2018 primarily due to a combination of the following:

Segment	*(In millions)*	Reason for (Decrease) Increase
Renewables:	$ (35)	Decrease of $25 million related to unfavorable wind and solar resources across the portfolio, as well as $8 million decrease at CVSR primarily related to the June 2019 outage. This was partially offset by revenue generated at the Buckthorn Solar project which reached COD in July 2018. The Company also recorded a $9 million mark-to-market loss on the Elbow Creek forward power sale contract entered into during the first quarter of 2019.
Thermal:	7	Revenue generated at the UPMC Thermal Project, which was completed in the second quarter of 2018, as well as the acquisition of the Duquesne University district energy system
Conventional:	4	Lower outages in 2019 compared to 2018
	$ (24)	

Depreciation and Amortization Expense

Depreciation and amortization expense increased by $38 million during the nine months ended September 30, 2019, compared to the same period in 2018, primarily due primarily due to accelerated depreciation at Wildorado Wind and Elbow Creek projects in connection with the repowering activities. For further discussion, see Note 4 — *Investments accounted for by the Equity Method and Variable Interest Entities*.

Impairment Losses

Impairment losses of $19 million during the nine months ended September 30, 2019, relate to a facility within the Company's Thermal segment, as further described in Note 14 — *Asset Impairments.*

Development Costs

Development costs of $4 million during the nine months ended September 30, 2019, relate primarily to business development, personnel and benefits costs within the Company's Thermal segment.

Equity in Earnings of Unconsolidated Affiliates

Equity in earnings of unconsolidated affiliates decreased by $13 million during the nine months ended September 30, 2019, compared to the same period in 2018, primarily driven by lower income allocated to the Company's interests in distributed partnerships with CEG partially offset by lower losses allocated to the Company's interests in RPV Holdco and Desert Sunlight.

Interest Expense

Interest expense increased by $137 million during the nine months ended September 30, 2019, compared to the same period in 2018, primarily due to the following:

(In millions)		Increase (Decrease)
Change in fair value of interest rate swaps as well as reclassification of losses previously deferred in AOCI to the statement of operations in connection with project-level debt financing activities	$	131
Higher interest expense due to Buckthorn Solar facility which went COD in July 2018, additional interest expense in connection with Repowering Partnership borrowings in June of 2019,partially offset by normal amortization of other project level debt		6
Lower interest expense due to lower balances principal balances in the Conventional segment		(6)
Issuance of Energy Center Minneapolis Series E, F, G, H Notes in June 2018 partially offset by lower debt balances at other projects within Thermal segment		4
Issuance of the 2025 Senior Notes in October 2018, partially offset by lower interest expense due to maturity and repayment of the remaining balance of the 2019 Convertible Notes in February 2019, as well as partial repayment of the 2020 Convertible Notes in October 2018		2
	$	137

Income Tax Expense

For the nine months ended September 30, 2019, the Company recorded an income tax benefit of $14 million on pretax loss of $62 million. For the same period in 2018, the Company recorded income tax expense of $17 million on pretax income of $162 million.

For the nine months ended September 30, 2019 and 2018, the overall effective tax rate was different than the statutory rate of 21% primarily due to taxable earnings and losses allocated to partners' interest in Clearway Energy LLC, which includes the effects of applying HLBV method of accounting for book purposes for certain partnerships.

Income Attributable to Noncontrolling Interests

For the nine months ended September 30, 2019, the Company had a loss of $28 million attributable to CEG's economic interest in Clearway Energy LLC, as well as CEG's interests in the Kawailoa, Oahu and Repowering partnerships. The Company also recorded a loss of $15 million attributable to noncontrolling interests with respect to tax equity financing arrangements and the application of the HLBV method. For the eight months ended August 31, 2018, the Company had income of $104 million attributable to NRG's economic interest in Clearway Energy LLC. For the one month ended September 30, 2018, the Company had income of $15 million attributable to CEG's economic interest in Clearway Energy LLC and Repowering LLC. Additionally, for the nine months ended September 30, 2018, the Company had a loss of $94 million attributable to noncontrolling interests with respect to its tax equity financing arrangements and the application of the HLBV method.

Liquidity and Capital Resources

The Company's principal liquidity requirements are to meet its financial commitments, finance current operations, fund capital expenditures, including acquisitions from time to time, service debt and pay dividends. As a normal part of the Company's business, depending on market conditions, the Company will from time to time consider opportunities to repay, redeem, repurchase or refinance its indebtedness. Changes in the Company's operating plans, lower than anticipated sales, increased expenses, acquisitions or other events may cause the Company to seek additional debt or equity financing in future periods. There can be no guarantee that financing will be available on acceptable terms or at all. Debt financing, if available, could impose additional cash payment obligations and additional covenants and operating restrictions.

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Liquidity Position

As of September 30, 2019, the Company had $443 million of available borrowings under its revolving credit facility. As of September 30, 2019 and December 31, 2018, the Company's liquidity was $840 million and $1.04 billion, respectively, comprised of the following:

(In millions)		September 30, 2019		December 31, 2018
Cash and cash equivalents:				
Clearway Energy, Inc. and Clearway Energy LLC, excluding subsidiaries	$	32	$	298
Subsidiaries		116		109
Restricted cash:				
Operating accounts		78		84
Reserves, including debt service, distributions, performance obligations and other reserves		171		92
Total cash, cash equivalents and restricted cash	$	397	$	583
Revolving credit facility availability		443		454
Total liquidity	$	840	$	1,037

The Company's liquidity includes $249 million and $176 million of restricted cash balances as of September 30, 2019 and December 31, 2018, respectively. Restricted cash consists primarily of funds to satisfy the requirements of certain debt arrangements and funds held within the Company's projects that are restricted in their use. As of September 30, 2019, these restricted funds were comprised of $78 million designated to fund operating expenses, $70 million designated for current debt service payments, and $53 million restricted for reserves including debt service, performance obligations and other reserves, as well as capital expenditures. The remaining $48 million is held in distribution reserve accounts, of which $36 million related to subsidiaries affected by the PG&E Bankruptcy as discussed further below and may not be distributed during the pendency of the PG&E Bankruptcy. The Company had a total of $147 million in restricted cash held by the subsidiaries affected by the PG&E Bankruptcy at September 30, 2019.

As of September 30, 2019, there were no outstanding borrowings and $52 million of letters of credit outstanding under the Company's revolving credit facility. The Company had $40 million outstanding under the revolving credit facility and a total of $71 million in letters of credit outstanding as of November 6, 2019.

On January 29, 2019, PG&E filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code. The PG&E Bankruptcy had no effect on availability under the Company's revolving credit facility. However, the Company has non-recourse project-level debt related to each of its subsidiaries that sell their output to PG&E under long-term PPAs. The PG&E Bankruptcy triggered defaults under the related financing agreements which caused uncertainty around the timing of when certain project-level cash distributions will be available to the Company. As of September 30, 2019, all project level cash balances for these subsidiaries were classified as restricted cash.

Management believes that the Company's liquidity position, cash flows from operations, and availability under its revolving credit facility will be adequate to meet the Company's financial commitments; debt service obligations; growth, operating and maintenance capital expenditures; and to fund dividends to holders of the Company's Class A common stock and Class C common stock. Management continues to regularly monitor the Company's ability to finance the needs of its operating, financing and investing activity within the dictates of prudent balance sheet management.

Credit Ratings

Credit rating agencies rate a firm's public debt securities. These ratings are utilized by the debt markets in evaluating a firm's credit risk. Ratings influence the price paid to issue new debt securities by indicating to the market the Company's ability to pay principal, interest and preferred dividends. Rating agencies evaluate a firm's industry, cash flow, leverage, liquidity, and hedge profile, among other factors, in their credit analysis of a firm's credit risk.

The following table summarizes the credit ratings for the Company and its Senior Notes as of September 30, 2019:

	S&P	Moody's
Clearway Energy, Inc.	BB	Ba2
5.375% Senior Notes, due 2024	BB	Ba2
5.750% Senior Notes, due 2025	BB	Ba2
5.000% Senior Notes, due 2026	BB	Ba2

Sources of Liquidity

The Company's principal sources of liquidity include cash on hand, cash generated from operations, borrowings under new and existing financing arrangements and the issuance of additional equity and debt securities as appropriate given market conditions. As described in Item 1, Note 7 — *Long-term Debt*, to this Form 10-Q and Note 10— *Long-term Debt*, to the consolidated financial statements included in the Company's 2018 Form 10-K, the Company's financing arrangements consist of corporate level debt, which includes Senior Notes, 2020 Convertible Notes and the revolving credit facility; the ATM Program; and project-level financings.

ATM Sales — The Company did not sell any shares of Class C common stockduring the nine months ended September 30, 2019. As of September 30, 2019, approximately $36 million of Class C common stock remains available for issuance under the ATM Program.

Uses of Liquidity

The Company's requirements for liquidity and capital resources, other than for operating its facilities, are categorized as: (i) debt service obligations, as described more fully in Item 1, Note 7 — *Long-term Debt*; (ii) capital expenditures; (iii) acquisitions and investments; and (iv) cash dividends to investors.

Agua Caliente Borrower 2 Debt Repayment

On October 21, 2019, the Company, through Agua Caliente Borrower 2 LLC, repaid $40 million of the outstanding notes balance, including accrued interest and premiums, issued under the Agua Caliente Holdco Financing Agreement. The repayment was funded with existing liquidity.

Capital Expenditures

The Company's capital spending program is mainly focused on maintenance capital expenditures, consisting of costs to maintain the assets currently operating, such as costs to replace or refurbish assets, and growth capital expenditures consisting of costs to construct new assets, costs to complete the construction of assets where construction is in process, and capital expenditures related to acquiring additional thermal customers. For the nine months ended September 30, 2019, the Company used $200 million to fund capital expenditures, including growth expenditures of $188 million, $168 million of which were in the Renewables segment in connection with the Repowering Partnership entered by the Company in August 2018, as well as the Oahu Partnership and the Kawailoa Partnership, as further described in Note 4 — *Investments Accounted for by the Equity Method and Variable Interest Entities.* The source for these capital expenditures was financing obtained in connection with the Repowering Partnership, as well as tax equity investors contributions. The Company also incurred $16 million of growth capital expenditures in the Thermal segment in connection with various development projects. For the nine months ended September 30, 2018, the Company used approximately $62 million to fund capital expenditures, of which $33 million related to growth expenditures in the Renewables segment in connection with the construction of Buckthorn Solar. The $33 million includes $10 million incurred by NRG during the construction of the Buckthorn Solar project prior to its acquisition by the Company on March 30, 2018. The Company estimates $30 million of maintenance expenditures for 2019. These estimates are subject to continuing review and adjustment and actual capital expenditures may vary from these estimates.

Acquisitions and Investments

The Company intends to acquire generation assets developed and constructed by CEG, as well as generation and thermal infrastructure assets from third parties where the Company believes its knowledge of the market and operating expertise provides a competitive advantage, and to utilize such acquisitions as a means to grow its CAFD.

Agreements with Cayo Largo — On September 29, 2019, the Company entered into a tolling agreement with Cayo Largo LLC to supply electricity, chilled water, hot water and natural gas to Cayo Largo LLC's customer through a dedicated combined heat and power facility to be constructed by the Company. The Company anticipates the project to total $13 million in capital expenditures and is expected to commence commercial operations in the fourth quarter of 2020.

Repowering Transaction — On June 14, 2019, the Company, through an indirect subsidiary, entered into binding equity commitment agreements in the previously announced partnership with CEG to enable the repowering of two of its existing wind assets, Wildorado and Elbow Creek. In connection with the completion of the financing, and after taking into account the higher cash flow from the reduction in debt service in 2019 resulting from the partial repayment of the Viento financing, the Company committed to invest an estimated $111 million in net corporate capital to fund the repowering of the wind facilities, subject to closing adjustments.

Kawailoa Solar Partnership — On May 1, 2019, the Company entered into a partnership with Clearway Renew LLC, a subsidiary of CEG, to own, finance, operate, and maintain the Kawailoa Solar Partnership. The Company made an original capital contribution in the amount of $2 million and recorded a payable in the amount of $7 million due to Clearway Renew LLC in the accounts payable - affiliate on the Company's consolidated balance sheets as of September 30, 2019. For further discussion, see Item 1, Note 4 — *Investments Accounted for by the Equity Method and Variable Interest Entities*.

Duquesne Thermal — On May 1, 2019, the Company, through its indirect subsidiary ECP Uptown Campus LLC, acquired the Duquesne University district energy system, totaling 82 combined MWt, located in Pittsburgh, Pennsylvania. The total investment for the project is approximately $107 million. This includes $100 million related to the purchase of district energy assets, which was funded through a combination of issuance of non-recourse debt in the amount of $95 million, as further discussed in Item 1, Note 7 — *Long-term Debt,* as well as cash on hand. As part of the acquisition, Duquesne University entered into a 40-year Energy Services Agreement through which ECP Uptown Campus LLC will fulfill the university's electricity, chilled water and steam requirements in exchange for monthly capacity payments.

Oahu Partnership — On March 8, 2019, the Company entered into a partnership with Clearway Renew LLC, a subsidiary of CEG, to own, finance, operate, and maintain the Oahu Solar projects. The Company made an original capital contribution in the amount of $4 million and recorded a payable in the amount of $16 million due to Clearway Renew LLC in the accounts payable - affiliate on the Company's consolidated balance sheets as of September 30, 2019. For further discussion, see Item 1, Note 4 — *Investments Accounted for by the Equity Method and Variable Interest Entities*.

Wind TE Holdco Buyout — On January 2, 2019, the Company bought out 100% of Class A membership interest from the TE Investor, for cash consideration of $19 million, as further described in Item 1 — Note 4, *Investments Accounted for by the Equity Method and Variable Interest Entities*.

Investment Partnership with CEG

During the nine months ended September 30, 2019, the Company invested $14 million in distributed generation partnerships with CEG.

Open Market Repurchases

In January 2019, Clearway Energy, Inc. repurchased an aggregate principal amount of $50 million of the 2019 Convertible Notes in open market transactions. The repurchases were funded through a partial repayment of the intercompany note between Clearway Operating LLC and Clearway Energy, Inc.

Cash Dividends to Investors

Clearway Energy, Inc. intends to use the amount of cash that it receives from its distributions from Clearway Energy LLC to pay quarterly dividends to the holders of its Class A common stock and Class C common stock. Clearway Energy LLC intends to distribute to its unit holders in the form of a quarterly distribution all of the CAFD it generates each quarter, less reserves for the prudent conduct of the business, including among others, maintenance capital expenditures to maintain the operating capacity of the assets. Dividends on the Class A common stock and Class C common stock are subject to available capital, market conditions, and compliance with associated laws, regulations and other contractual obligations. The Company expects that, based on current circumstances, comparable cash dividends will continue to be paid in the foreseeable future. The Company will continue to evaluate its capital allocation approach during the pendency of the PG&E Bankruptcy, including the Company's ability to receive unrestricted project distributions.

The following table lists the dividends paid on Clearway Energy, Inc.'s Class A common stock and Class C common stock during the nine months ended September 30, 2019:

	Third Quarter 2019	Second Quarter 2019	First Quarter 2019
Dividends per Class A share	$ 0.20	$ 0.20	$ 0.20
Dividends per Class C share	$ 0.20	$ 0.20	$ 0.20

On October 29, 2019, the Company declared quarterly dividends on its Class A common stock and Class C common stock of $0.20 per share payable on December 16, 2019, to stockholders of record as of December 2, 2019.

Cash Flow Discussion

The following table reflects the changes in cash flows for the nine months ended September 30, 2019, compared to the nine months ended September 30, 2018:

	For the Nine Months Ended		
(In millions)	2019	2018	Change
Net cash provided by operating activities	$ 374	$ 396	$ (22)
Net cash used in investing activities	(300)	(175)	(125)
Net cash used in financing activities	(260)	(148)	(112)

Net Cash Provided by Operating Activities

Changes to net cash provided by operating activities were driven by:	*(In millions)*
Lower distributions from unconsolidated affiliates affected by the PG&E Bankruptcy, partially offset by higher distributions from the distributed generation projects	$ (26)
Decrease in operating income adjusted for non-cash items	(6)
Increase in working capital driven primarily by the timing of accounts receivable collections and payment of accounts payable	10
	$ (22)

Net Cash Used in Investing Activities

Changes to net cash used in investing activities were driven by:	*(In millions)*
Increase in capital expenditures driven by the Company investment in the Repowering Partnership and development projects in the Thermal segment in 2019	$ (138)
Higher payment due to the Drop Down Assets and other acquisitions that occurred in 2018 compared to 2019	37
Payment to buy out an existing tax equity partner of Wind TE Holdco on January 2, 2019	(19)
Lower net investment in unconsolidated affiliates in the distributed partnerships with CEG during 2019	17
Cash receipts from network upgrades in 2018	(10)
Payment to acquire the Class A interests in the Oahu Partnership and Kawailoa Partnership in 2019	(6)
Other	(6)
	$ (125)

Net Cash Used in Financing Activities

Changes in net cash used in financing activities were driven by:	*(In millions)*
Lower net contributions from noncontrolling interests in 2019 compared to 2018, primarily from Buckthorn Holdings, LLC's Class A member in 2018, as described in Note 3, Business Acquisitions	$ (108)
Net proceeds from the Clearway Energy, Inc. common stock offering under the ATM Program in 2018	(151)
Decrease in dividends paid to common stockholders from 2018 to 2019	58
Net payments under the revolving credit facility in 2018	55
Increase in proceeds from long-term debt in 2019 compared to 2018, in connection with new borrowings in the Renewables segment partially offset by the maturity and repayment of the 2019 Convertible Notes in the first quarter of 2019	34
	$ (112)

NOLs, Deferred Tax Assets and Uncertain Tax Position Implications, under ASC 740

As of December 31, 2018, the Company has a cumulative federal NOL carry forward balance of $945 million based on the latest income tax filing for financial statement purposes, which will begin expiring in 2033, and does not anticipate any federal income tax payments for 2018. As a result of the Company's tax position, and based on current forecasts, the Company does not anticipate significant income tax payments for state and local jurisdictions in 2018. Based on the Company's current and expected NOL balances generated primarily by accelerated tax depreciation of its property, plant and equipment, the Company does not expect to pay significant federal income tax for a period of approximately ten years inclusive of any NOL generated in 2018 or later subject to an 80% limitation against future taxable income pursuant to the Tax Act.

The Company is subject to examination by taxing authorities for income tax returns filed in the U.S. federal jurisdiction and various state jurisdictions. The Company is not subject to U.S. federal or state income tax examinations for years prior to 2013.

The Company has no uncertain tax benefits.

Off-Balance Sheet Arrangements

Obligations under Certain Guarantee Contracts

The Company may enter into guarantee arrangements in the normal course of business to facilitate commercial transactions with third parties.

Retained or Contingent Interests

The Company does not have any material retained or contingent interests in assets transferred to an unconsolidated entity.

Obligations Arising Out of a Variable Interest in an Unconsolidated Entity

Variable interest in equity investments — As of September 30, 2019, the Company has several investments with an ownership interest percentage of 50% or less in energy and energy-related entities that are accounted for under the equity method. Utah Solar Portfolio, GenConn, DGPV Holdco 1, RPV Holdco, DGPV Holdco 2, and DGPV Holdco 3 are variable interest entities for which the Company is not the primary beneficiary.

The Company's pro-rata share of non-recourse debt held by unconsolidated affiliates was approximately $927 million as of September 30, 2019. The Company's pro-rata share of non-recourse debt held by unconsolidated affiliates as it related to the projects affected by PG&E bankruptcy was $422 million as of September 30, 2019. This indebtedness may restrict the ability of these subsidiaries to issue dividends or distributions to the Company.

Contractual Obligations and Commercial Commitments

The Company has a variety of contractual obligations and other commercial commitments that represent prospective cash requirements in addition to the Company's capital expenditure programs, as disclosed in the Company's 2018 Form 10-K. See also Note 3 — *Acquisitions and Dispositions* to this Form 10-Q for a discussion of additional contingencies that occurred during 2018.

Fair Value of Derivative Instruments

The Company may enter into fuel purchase contracts and other energy-related derivative instruments to mitigate variability in earnings due to fluctuations in spot market prices and to hedge fuel requirements at certain generation facilities. In addition, in order to mitigate interest rate risk associated with the issuance of variable rate debt, the Company enters into interest rate swap agreements.

The tables below disclose the activities of non-exchange traded contracts accounted for at fair value in accordance with ASC 820. Specifically, these tables disaggregate realized and unrealized changes in fair value; disaggregate estimated fair values at September 30, 2019, based on their level within the fair value hierarchy defined in ASC 820; and indicate the maturities of contracts at September 30, 2019. For a full discussion of the Company's valuation methodology of its contracts, see *Derivative Fair Value Measurements* in Item, 1 Note 5 — *Fair Value of Financial Instruments*.

Derivative Activity (Losses) Gains	*(In millions)*
Fair value of contracts as of December 31, 2018	$ (10)
Contracts realized or otherwise settled during the period	11
Contracts added during the period	(31)
Changes in fair value	(79)
Fair value of contracts as of September 30, 2019	$ (109)

	Fair value of contracts as of September 30, 2019				
	Maturity				
Fair Value Hierarchy (Losses) Gains	**1 Year or Less**	**Greater Than 1 Year to 3 Years**	**Greater Than 3 Years to 5 Years**	**Greater Than 5 Years**	**Total Fair Value**
			(In millions)		
Level 2	$ (14)	$ (32)	$ (20)	$ (34)	$ (100)
Level 3	-	-	(4)	(5)	(9)
Total	$ (14)	$ (32)	$ (24)	$ (39)	$ (109)

The Company has elected to disclose derivative assets and liabilities on a trade-by-trade basis and does not offset amounts at the counterparty master agreement level. As discussed below in *Quantitative and Qualitative Disclosures about Market Risk - Commodity Price Risk,* the Company measures the sensitivity of the portfolio to potential changes in market prices using VaR, a statistical model which attempts to predict risk of loss based on market price and volatility. The Company's risk management policy places a limit on one-day holding period VaR, which limits the net open position.

Critical Accounting Policies and Estimates

The Company's discussion and analysis of the financial condition and results of operations are based upon the consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements and related disclosures in compliance with GAAP requires the application of appropriate technical accounting rules and guidance as well as the use of estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. The application of these policies necessarily involves judgments regarding future events, including the likelihood of success of particular projects, legal and regulatory challenges, and the fair value of certain assets and liabilities. These judgments, in and of themselves, could materially affect the financial statements and disclosures based on varying assumptions, which may be appropriate to use. In addition, the financial and operating environment may also have a significant effect, not only on the operation of the business, but on the results reported through the application of accounting measures used in preparing the financial statements and related disclosures, even if the nature of the accounting policies has not changed.

On an ongoing basis, the Company evaluates these estimates, utilizing historic experience, consultation with experts and other methods the Company considers reasonable. In any event, actual results may differ substantially from the Company's estimates. Any effects on the Company's business, financial position or results of operations resulting from revisions to these estimates are recorded in the period in which the information that gives rise to the revision becomes known.

The Company identifies its most critical accounting policies as those that are the most pervasive and important to the portrayal of the Company's financial position and results of operations, and that require the most difficult, subjective and/or complex judgments by management regarding estimates about matters that are inherently uncertain. The Company's critical accounting policies include income taxes and valuation allowance for deferred tax assets, impairment of long lived assets and other intangible assets and acquisition accounting.

Recent Accounting Developments

See Item 1, Note 2 — *Summary of Significant Accounting Policies*, for a discussion of recent accounting developments.

ITEM 3 — Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to several market risks in its normal business activities. Market risk is the potential loss that may result from market changes associated with the Company's power generation or with an existing or forecasted financial or commodity transaction. The types of market risks the Company is exposed to are commodity price risk, interest rate risk, liquidity risk, and credit risk. The following disclosures about market risk provide an update to, and should be read in conjunction with, Item 7A — *Quantitative and Qualitative Disclosures About Market Risk,* of the Company's 2018 Form 10-K.

Interest Rate Risk

The Company is exposed to fluctuations in interest rates through its issuance of variable rate debt. Exposures to interest rate fluctuations may be mitigated by entering into derivative instruments known as interest rate swaps, caps, collars and put or call options. These contracts reduce exposure to interest rate volatility and result in primarily fixed rate debt obligations when taking into account the combination of the variable rate debt and the interest rate derivative instrument. See Item 1, Note 6 — *Derivative Instruments and Hedging Activities*, for more information.

Most of the Company's project subsidiaries enter into interest rate swaps, intended to hedge the risks associated with interest rates on non-recourse project level debt. See Note 10 — *Long-term Debt,* to the Company's audited consolidated financial statements for the year ended December 31, 2018 included in the 2018 Form 10-K for more information about interest rate swaps of the Company's project subsidiaries.

If all of the interest rate swaps had been discontinued on September 30, 2019, the Company would have owed the counterparties $110 million. Based on the credit ratings of the counterparties, the Company believes its exposure to credit risk due to nonperformance by counterparties to its hedge contracts to be insignificant.

The Company has long-term debt instruments that subject it to the risk of loss associated with movements in market interest rates. As of September 30, 2019, a 1% change in interest rates would result in an approximately $3.3 million change in market interest expense on a rolling twelve-month basis.

As of September 30, 2019, the fair value of the Company's debt was $6,173 million and the carrying value was $6,179 million. The Company estimates that a 1% decrease in market interest rates would have increased the fair value of its long-term debt by approximately $250 million.

Liquidity Risk

Liquidity risk arises from the general funding needs of the Company's activities and in the management of the Company's assets and liabilities.

Commodity Price Risk

Commodity price risks result from exposures to changes in spot prices, forward prices, volatilities, and correlations between various commodities, such as electricity, natural gas and emissions credits. The Company manages the commodity price risk of its merchant generation operations by entering into derivative or non-derivative instruments to hedge the variability in future cash flows from forecasted power sales or purchases of fuel. The portion of forecasted transactions hedged may vary based upon management's assessment of market, weather, operation and other factors.

Based on a sensitivity analysis using simplified assumptions, the impact of a $0.50 per MMBtu decrease in natural gas prices across the term of the derivative contracts would cause a decrease of approximately $1 million to the net value of gas derivatives, and an increase of $0.50 per MMBtu in natural gas prices across the term of the derivative contracts would cause an increase of approximately $2 million to the net value of gas derivatives as of September 30, 2019. The impact of a $0.50 per MWh increase or decrease in power prices across the term of the derivative contracts would cause a change of approximately $1 million to the net value of power derivatives as of September 30, 2019.

Counterparty Credit Risk

Credit risk relates to the risk of loss resulting from non-performance or non-payment by counterparties pursuant to the terms of their contractual obligations. The Company monitors and manages credit risk through credit policies that include: (i) an established credit approval process; and (ii) the use of credit mitigation measures such as prepayment arrangements or volumetric limits. Risks surrounding counterparty performance and credit could ultimately impact the amount and timing of expected cash flows. The Company seeks to mitigate counterparty risk by having a diversified portfolio of counterparties. See Item 1, Note 1 — *Nature of Business*, and Note 5 — *Fair Value of Financial Instruments*, to the Consolidated Financial Statements for more information about concentration of credit risk.

ITEM 4 — Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of the Company's management, including its principal executive officer, principal financial officer and principal accounting officer, the Company conducted an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures, as such term is defined in Rules 13a-15(e) or 15d-15(e) of the Exchange Act. Based on this evaluation, the Company's principal executive officer, principal financial officer and principal accounting officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

Changes in Internal Control over Financial Reporting

In connection with the GIP Transaction, the Company entered into a TSA pursuant to which NRG Energy, Inc. provided information technology, systems, applications, and business processes to the Company. A material portion of these processes terminated during the second quarter of 2019 and such services were subsequently provided by both the Company and by CEG pursuant to the CEG Master Services Agreements. Under the CEG Master Services Agreements, the Company continues to review, document and evaluate the existing internal controls over financial reporting. There were no other changes in the Company's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended September 30, 2019 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS

For a discussion of the material legal proceedings in which the Company was involved through September 30, 2019, see Note 12— *Contingencies*, to this Form 10-Q.

ITEM 1A — RISK FACTORS

Information regarding risk factors appears in Part I, Item 1A, *Risk Factors,* in the Company's 2018 Form 10-K. There have been no material changes in the Company's risk factors since those reported in its 2018 Form 10-K.

ITEM 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3 — DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 — MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5 — OTHER INFORMATION

None.

ITEM 6 — EXHIBITS

Number	Description	Method of Filing
10.1	Second Amendment to Right of First Offer Agreement, dated August 1, 2019, by and between Clearway Energy Group LLC and Clearway Energy, Inc.	Incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 6, 2019.
10.2	Eleventh Supplemental Indenture, dated as of September 6, 2019, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on September 12, 2019.
10.3	Seventh Supplemental Indenture, dated as of September 6, 2019, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on September 12, 2019.
10.4	Third Supplemental Indenture, dated as of September 6, 2019, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on September 12, 2019.
31.1	Rule 13a-14(a)/15d-14(a) certification of Christopher S. Sotos.	Filed herewith.
31.2	Rule 13a-14(a)/15d-14(a) certification of Chad Plotkin.	Filed herewith.
31.3	Rule 13a-14(a)/15d-14(a) certification of Mary-Lee Stillwell.	Filed herewith.
32	Section 1350 Certification.	Furnished herewith.
101 INS	Inline XBRL Instance Document.	Filed herewith.
101 SCH	Inline XBRL Taxonomy Extension Schema.	Filed herewith.
101 CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.	Filed herewith.
101 DEF	Inline XBRL Taxonomy Extension Definition Linkbase.	Filed herewith.
101 LAB	Inline XBRL Taxonomy Extension Label Linkbase.	Filed herewith.

101 PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.	Filed herewith.
104	Cover Page Interactive Data File (the cover page interactive data file does not appear in Exhibit 104 because its Inline XBRL tags are embedded within the Inline XBRL document).	Filed herewith.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CLEARWAY ENERGY, INC.
(Registrant)

/s/ CHRISTOPHER S. SOTOS
Christopher S. Sotos
Chief Executive Officer
(Principal Executive Officer)

/s/ CHAD PLOTKIN
Chad Plotkin
Chief Financial Officer
(Principal Financial Officer)

/s/ MARY-LEE STILLWELL
Mary-Lee Stillwell
Chief Accounting Officer
(Principal Accounting Officer)

Date: November 6, 2019

EXHIBIT 31.1

CERTIFICATION

I, Christopher S. Sotos, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Clearway Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ CHRISTOPHER S. SOTOS
Christopher S. Sotos
Chief Executive Officer
(Principal Executive Officer)

Date: November 6, 2019

EXHIBIT 31.2

CERTIFICATION

I, Chad Plotkin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Clearway Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ CHAD PLOTKIN
Chad Plotkin
Chief Financial Officer
(Principal Financial Officer)

Date: November 6, 2019

EXHIBIT 31.3

CERTIFICATION

I, Mary-Lee Stillwell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Clearway Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MARY-LEE STILLWELL
Mary-Lee Stillwell
Chief Accounting Officer
(Principal Accounting Officer)

Date: November 6, 2019

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Clearway Energy, Inc. on Form 10-Q for the quarter ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Form 10-Q.

Date: November 6, 2019

/s/ CHRISTOPHER S. SOTOS
Christopher S. Sotos
Chief Executive Officer
(Principal Executive Officer)

/s/ CHAD PLOTKIN
Chad Plotkin
Chief Financial Officer
(Principal Financial Officer)

/s/ MARY-LEE STILLWELL
Mary-Lee Stillwell
Chief Accounting Officer
(Principal Accounting Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Form 10-Q or as a separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Clearway Energy, Inc. and will be retained by Clearway Energy, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.