Clearway Energy

Clearway Energy, Inc.
Climate Risk and Environmental Disclosures

March 2022

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Safe Harbor

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, and typically can be identified by the use of words such as “expect,” “estimate,” "target," “anticipate,” “forecast,” “plan,” “outlook,” “believe” and similar terms. Such forward-looking statements include, but are not limited to, statements regarding the Company’s pending disposition of its Thermal Business, the Company’s dividend expectations and its operations, its facilities and its financial results, impacts related to COVID-19 (including any variant of the virus) or any other pandemic, the benefits of the relationship with Global Infrastructure Partners and Global Infrastructure Partners' expertise, the Company’s future relationship and arrangements with Global Infrastructure Partners and Clearway Energy Group, as well as the Company's Net Income, Adjusted EBITDA, Cash from Operating Activities, Cash Available for Distribution, the Company’s future revenues, income, indebtedness, capital structure, strategy, plans, expectations, objectives, projected financial performance and/or business results and other future events, and views of economic and market conditions.

Although Clearway Energy, Inc. believes that the expectations are reasonable, it can give no assurance that these expectations will prove to be correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated above include, among others, the Company's ability to maintain and grow its quarterly dividend, impacts related to COVID-19 (including any variant of the virus) or any other pandemic, risks relating to the Company's relationships with Global Infrastructure Partners and Clearway Energy Group, the failure to identify, execute or successfully implement acquisitions or dispositions (including receipt of third party consents and regulatory approvals), including the Company’s ability to complete the pending disposition of its Thermal Business, the Company's ability to acquire assets from Global Infrastructure Partners or Clearway Energy Group, the Company’s ability to raise additional capital due to its indebtedness, corporate structure, market conditions or otherwise, hazards customary in the power industry, weather conditions, including wind and solar performance, 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 new contracts as existing contracts expire, changes in government regulations, operating and financial restrictions placed on the Company that are contained in the project-level debt facilities and other agreements of the Company and its subsidiaries, cyber terrorism and inadequate cybersecurity and the Company’s ability to borrow additional funds and access capital markets. Furthermore, any dividends are subject to available capital, market conditions, and compliance with associated laws and regulations.

The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The adjusted EBITDA and cash available for distribution guidance are estimates as of February 28, 2022. These estimates are based on assumptions believed to be reasonable as of that date. The Company disclaims any current intention to update such guidance, except as required by law. Adjusted EBITDA and cash available for distribution are non-GAAP financial measures and are explained in greater detail in the Appendix. The foregoing review of factors that could cause the Company’s actual results to differ materially from those contemplated in the forward-looking statements included in this presentation should be considered in connection with information regarding risks and uncertainties that may affect the Company 's future results included in the Company's filings with the Securities and Exchange Commission at www.sec.gov.

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Executive Summary

- **About Clearway Energy, Inc. (NYSE: CWEN, CWEN.A)**
  - A leading clean energy infrastructure investor focused on modern, sustainable and long-term contracted generation assets across North America
  - As of the end of 2021, owns a power generation portfolio that includes over 5,000 net MW of renewables, including 3,262 net MW of wind and 1,953 net MW of solar. CWEN has acquired over 1,600 net MW of renewables since 3Q18
  - Through its parent company, Clearway Energy Group LLC, CWEN is sponsored by Global Infrastructure Partners (GIP), one of the largest infrastructure investors in the world

- **CWEN's Portfolio has a Low Carbon Footprint and is Well Positioned for Energy Transition**
  - Due to its large renewable fleet, CWEN has one of the lowest carbon intensities in the US power sector[1]
  - 91% of 2021 electricity MWh from renewables[2]
  - 82% of Pro Forma EBITDA and 75% of Pro Forma CAFD is expected to come from renewables; refer to slide 10 and 11
  - GIP is a signatory to the UN-supported Principles for Responsible Investment
  - CWEN's parent company, and primary development partner, has a 19.1 GW renewable development pipeline[3] that is expected to provide additional renewable assets to CWEN's portfolio over time

- **CWEN's Climate Risk Disclosures Discuss the Following Areas and Incorporate Components of the Task Force on Climate-Related Financial Disclosures (TCFD):**
  - **Governance and Board Oversight**
  - **Climate Transition Opportunities and Risks in the Short-, Medium- and Long-Term by Business Segment**
  - **Physical Climate Risks to Assets and Operations**
  - **Metrics:** Historical Scope 1 and Scope 2 GHG emissions
  - **Long Term Target:** Net zero GHG emission target by 2050 inclusive of CWEN's Scope 1 and Scope 2 emissions

[1] 2021 Ceres Report: "Benchmarking Air Emissions of the 100 Largest Electric Power Producers in the United States"; [2] Based on MWh sold excluding Thermal segment and equity method investments in 2021; [3] Refer to slide 12 of the 4Q21 earnings presentation from February 28, 2022

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Governance of Climate Risks

Activity	Response
Board Oversight of Climate Related Risks	▪ Pursuant to the Company's Corporate Governance, Conflicts and Nominating (GCN) Committee Charter, the GCN Committee reviews the Company's strategies, activities, and policies regarding ESG, including those related to climate change. The GCN Committee discusses climate risks as part of its responsibilities. These responsibilities include evaluating the impact of climate change with respect to the financial impact to CWEN's existing portfolio and impact of legislation/regulations. The Board also approves the Company's annual budget which entails reviewing potential financial risks related to climate change and reviews the status and performance of the Company's ESG initiatives at least semi-annually.
Management's Role in Assessing and Managing Climate Related Risks	▪ As part of the review of its Board-approved annual budget, management analyzes potential changes in the regulatory and business environment, including climate change risk, for the potential impact to future operations of the Company's assets.

Climate Transition: Short Term Opportunities and Risks By Business Segment

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Activity	Response
Climate Transition Risks and Opportunities for CWEN in Short Term	▪ **Renewables (75% of Pro Forma CAFD[1]):** CWEN's largest segment by Cash Available for Distribution (CAFD) has zero Scope 1 generation emissions and is well positioned for future CAFD growth through its sponsor's 19.1 GW renewable development pipeline. ▪ **Conventional (25% of Pro Forma CAFD[1]):** The conventional assets primarily are contracted under agreements with load service entities that control the dispatch of the facilities and are compensated for availability. The segment's assets mostly consist of efficient peaking gas generation located in California used primarily for fast ramping and grid reliability. The conventional assets play an important role in enabling California's higher renewable penetration by backing up renewable power's intermittency and providing firm generation during peak demand periods. ▪ **Thermal:** On October 25, 2021, the Company announced that it had entered into a binding agreement to sell its Thermal Business. The transaction is subject to various customary closing conditions, approvals, and consents and is expected to close in the second quarter of 2022.

[1] Excludes corporate costs; Pro Forma figures include estimated contribution from committed growth investments and are based on current estimates for the conventional gas portfolio post-PPA period

Climate Transition: Medium and Long-Term Opportunities and Risks By Business Segment

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Activity	Response
Climate Transition Related Risks and Opportunities for CWEN Post-2023	▪ **Renewables (75% of Pro Forma CAFD[1]):** The Company expects the segment will become an even larger percent of total CAFD long term through future growth from its sponsor's renewable development pipeline ▪ **Conventional (25% of Pro Forma CAFD[1]):** The Company will align to stakeholder long-term goals in California where its conventional assets are primarily located and vital to grid reliability. Studies have shown that "firm generation capacity is needed to ensure reliable electric load service on a deeply decarbonized electricity system [such as California]"[2]. A 2021 study commissioned by California regulators on how to achieve the state's goal of 100% retail electricity sales by 2045 in California indicated that under the "SB 100 Core scenario, much of the existing natural gas capacity [in California] is retained through 2045".[3] In 2021, the Company secured resource adequacy contracts for 100% of CWEN's Walnut Creek and ~80% of Marsh Landing at terms sufficient to maintain project level CAFD in-line with current expectations through 2026. Scope 2 emissions from purchased electricity in the Conventional segment are expected to trend toward zero given that the segment's assets are located in carbon reduction regulatory regimes.
Scenario Analysis for Climate Transition Risk	▪ The Company did not perform a scenario analysis for climate transition risk. Given that 99% of the Company's Pro Forma GHG emissions are emitted in states targeting net zero emissions, the Company believes the current regulatory regime for its portfolio is in jurisdictions aiming to limit global warming to 2-degree Celsius or lower

[1] Excludes corporate costs; Pro Forma figures include estimated contribution from committed growth investments and are based on current estimates for the conventional gas portfolio post-PPA period; [2] "Long-Run Resource Adequacy under Deep Decarbonization Pathways for California" study by E3 (June 2019); [3] "SB 100 Joint Agency Report: Charting a path to a 100% Clean Energy Future" study commissioned by the California Energy Commission (CEC), California Public Utilities Commission (CPUC), and California Air Resources Board (CARB)

Physical Climate Risks

Activity	Response
Physical Climate Risks for CWEN	▪ As discussed in the Company’s annual report (i.e., CWEN’s 10-K), climate change may have the long-term effect of changing wind patterns at the Company’s projects. In addition, the potential physical effects of climate change, such as increased frequency and severity of storms, cloud coverage, precipitation, floods and other climatic events, could disrupt the Company's operations and supply chain, and cause CWEN to incur significant costs in preparing for or responding to these effects. Physical risks to Climate Change are discussed further in the Risk Factors section of the Company’s 2021 10-K. Physical risks for CWEN’s renewable assets are qualitatively discussed in a climate scenario analysis that can be found at: https://www.clearwayenergygroup.com/wp-content/uploads/2021/03/Clearway-Energy-Climate-Scenario-Analysis-8.20.20.pdf

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Climate Related Targets

Activity	Response
Climate Related Targets	▪ By 2030, CWEN aims to own and operate 10 GW of renewable assets (compared to ~5.2 GW as of December 31, 2021) ▪ The Company's Board has set a long-term target of net zero GHG emissions by 2050 for the Company's Scope 1 and Scope 2 emissions
Strategy to Meet Net Zero Target	▪ To meet its long-term net zero target the Company plans to: ➢ Increase the percentage of renewable assets in CWEN's fleet, which will continue to lower the Company's overall carbon intensity ➢ Regularly review and analyze the operational performance of the Company's gas plants with the Company's Board to drive incremental efficiency improvements that could result in lower plant-level GHG emissions ➢ Regularly review technology trends with CWEN's Board that could support lowering GHG emissions from its gas plants ➢ Evaluate potential gas plant divestitures that may meet CWEN's thresholds for creating risk-adjusted shareholder value ➢ Work with stakeholders in California to meet the state's long-term climate goals while providing critical grid reliability ➢ Retire GHG-emitting gas plants at the end of their useful life

Metrics: Conventional Segment GHG Emissions

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GHG Emissions (Million Metric Tonnes)		
Year	**Scope 1**	**Scope 2**
2019[1]	0.76	0.01
2020	0.84	0.01
2021	0.62	0.01

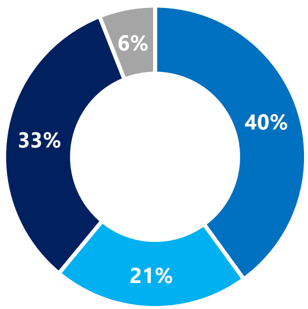
- Scope 1 and Scope 2 GHG emissions disclosures reflect emissions from generation assets in CWEN's Conventional segment
- On October 25, 2021, the Company announced that it had entered into a binding agreement to sell its Thermal Business. The transaction is subject to various customary closing conditions, approvals, and consents and is expected to close in the second quarter of 2022.[2]
- Scope 1 and 2 emissions from the Company's Renewables segment are immaterial to the Company's overall carbon footprint

[1] 2019 figures include the Carlsbad Energy Center for the full year; the Carlsbad Energy Center was acquired by the Company on December 6, 2019; [2] The Thermal segment's Energy Center – Pittsburgh facility had 0% fuel expenses related to petroleum/diesel-based generation in 2019, 2020, and 2021

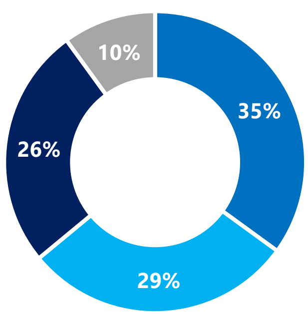
Adjusted EBITDA and CAFD by Asset Class[1]

2021 Adj. EBITDA and CAFD by Asset Class

2021 Adj. EBITDA by Asset Class
(61% From Renewables)

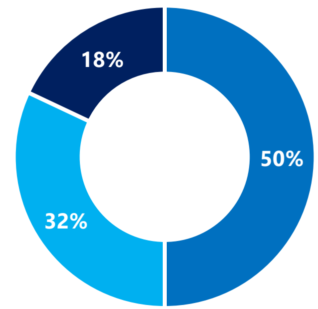


2021 CAFD by Asset Class
(64% From Renewables)

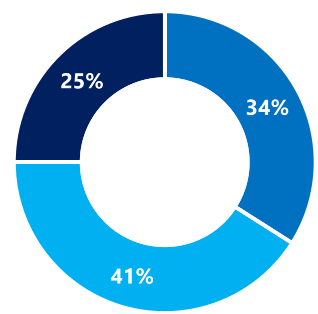


Pro Forma Adj EBITDA and CAFD by Asset Class

Pro Forma Adj. EBITDA by Asset Class
(82% From Renewables)



Pro Forma CAFD by Asset Class
(75% From Renewables)



■ Solar ■ Wind ■ Conventional ■ Thermal

[1] Excludes corporate costs; Pro Forma figures include estimated contribution from committed growth investments and are based on current estimates for the conventional gas portfolio post-PPA period

Non-GAAP Financial Information

Non-GAAP Financial Information

EBITDA and Adjusted EBITDA: EBITDA and Adjusted EBITDA are non-GAAP financial measures. These measurements are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance. The presentation of Adjusted EBITDA should not be construed as an inference that Clearway Energy's future results will be unaffected by unusual or non-recurring items.

- EBITDA represents net income before interest (including loss on debt extinguishment), taxes, depreciation and amortization. EBITDA is presented because Clearway Energy considers it an important supplemental measure of its performance and believes debt and equity holders frequently use EBITDA to analyze operating performance and debt service capacity. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results as reported under GAAP. Some of these limitations are:
- EBITDA does not reflect cash expenditures, or future requirements for capital expenditures, or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt or cash income tax payments;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in this industry may calculate EBITDA differently than Clearway Energy does, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to use to invest in the growth of Clearway Energy's business. Clearway Energy compensates for these limitations by relying primarily on our GAAP results and using EBITDA and Adjusted EBITDA only supplementally.

Adjusted EBITDA is presented as a further supplemental measure of operating performance. Adjusted EBITDA represents EBITDA adjusted for mark-to-market gains or losses, non cash equity compensation expense, asset write offs and impairments; and factors which we do not consider indicative of future operating performance such as transition and integration related costs. The reader is encouraged to evaluate each adjustment and the reasons Clearway Energy considers it appropriate for supplemental analysis. As an analytical tool, Adjusted EBITDA is subject to all of the limitations applicable to EBITDA. In addition, in evaluating Adjusted EBITDA, the reader should be aware that in the future Clearway Energy may incur expenses similar to the adjustments in this news release.

Management believes Adjusted EBITDA is useful to investors and other users of our financial statements in evaluating our operating performance because it provides them with an additional tool to compare business performance across companies and across periods. This measure is widely used by investors to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired.

Additionally, management believes that investors commonly adjust EBITDA information to eliminate the effect of restructuring and other expenses, which vary widely from company to company and impair comparability. As we define it, Adjusted EBITDA represents EBITDA adjusted for the effects of impairment losses, gains or losses on sales, non cash equity compensation expense, dispositions or retirements of assets, any mark-to-market gains or losses from accounting for derivatives, adjustments to exclude gains or losses on the repurchase, modification or extinguishment of debt, and any extraordinary, unusual or non-recurring items plus adjustments to reflect the Adjusted EBITDA from our unconsolidated investments. We adjust for these items in our Adjusted EBITDA as our management believes that these items would distort their ability to efficiently view and assess our core operating trends.

In summary, our management uses Adjusted EBITDA as a measure of operating performance to assist in comparing performance from period to period on a consistent basis and to readily view operating trends, as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations, and in communications with our Board of Directors, shareholders, creditors, analysts and investors concerning our financial performance.

Cash Available for Distribution: A non-GAAP measure, Cash Available for Distribution is defined as of March 31, 2021 as Adjusted EBITDA plus cash distributions/return of investment from unconsolidated affiliates, adjustments to reflect CAFD generated by unconsolidated investments that were not able to distribute project dividends prior to PG&E's emergence from bankruptcy on July 1, 2020 and subsequent release post-bankruptcy, cash receipts from notes receivable, cash distributions from noncontrolling interests, adjustments to reflect sales-type lease cash payments, 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, changes in prepaid and accrued capacity payments, and adjusted for development expenses. Management believes CAFD is a relevant supplemental measure of the Company's ability to earn and distribute cash returns to investors. We believe CAFD is useful to investors in evaluating our operating performance because securities analysts and other interested parties use such calculations as a measure of our ability to make quarterly distributions. In addition, CAFD is used by our management team for determining future acquisitions and managing our growth. The GAAP measure most directly comparable to CAFD is cash provided by operating activities.

However, CAFD has limitations as an analytical tool because it does not include changes in operating assets and liabilities and excludes the effect of certain other cash flow items, all of which could have a material effect on our financial condition and results from operations. CAFD is a non-GAAP measure and should not be considered an alternative to cash provided by operating activities or any other performance or liquidity measure determined in accordance with GAAP, nor is it indicative of funds available to fund our cash needs. In addition, our calculations of CAFD are not necessarily comparable to CAFD as calculated by other companies. Investors should not rely on these measures as a substitute for any GAAP measure, including cash provided by operating activities.