

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 March 31, 2024

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

Commission File Number: 333-203369

Clearway Energy LLC

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction  
of incorporation or organization)

300 Carnegie Center, Suite 300

Princeton

New Jersey

(Address of principal executive offices)

32-0407370

(I.R.S. Employer  
Identification No.)

08540

(Zip Code)

(609) 608-1525

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None.

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 April 30, 2024, there were 34,613,853 Class A units outstanding, 42,738,750 Class B units outstanding, 82,454,344 Class C units outstanding, and 42,336,750 Class D units outstanding. There is no public market for the registrant's outstanding units.

TABLE OF CONTENTS

Index

<a href="#"><u>CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION</u></a>	<a href="#"><u>3</u></a>
<a href="#"><u>GLOSSARY OF TERMS</u></a>	<a href="#"><u>4</u></a>
<a href="#"><u>PART I — FINANCIAL INFORMATION</u></a>	<a href="#"><u>6</u></a>
<a href="#"><u>ITEM 1 — FINANCIAL STATEMENTS AND NOTES</u></a>	<a href="#"><u>6</u></a>
<a href="#"><u>ITEM 2 — MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u></a>	<a href="#"><u>27</u></a>
<a href="#"><u>ITEM 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u></a>	<a href="#"><u>41</u></a>
<a href="#"><u>ITEM 4 — CONTROLS AND PROCEDURES</u></a>	<a href="#"><u>42</u></a>
<a href="#"><u>PART II — OTHER INFORMATION</u></a>	<a href="#"><u>43</u></a>
<a href="#"><u>ITEM 1 — LEGAL PROCEEDINGS</u></a>	<a href="#"><u>43</u></a>
<a href="#"><u>ITEM 1A — RISK FACTORS</u></a>	<a href="#"><u>43</u></a>
<a href="#"><u>ITEM 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u></a>	<a href="#"><u>43</u></a>
<a href="#"><u>ITEM 3 — DEFAULTS UPON SENIOR SECURITIES</u></a>	<a href="#"><u>43</u></a>
<a href="#"><u>ITEM 4 — MINE SAFETY DISCLOSURES</u></a>	<a href="#"><u>43</u></a>
<a href="#"><u>ITEM 5 — OTHER INFORMATION</u></a>	<a href="#"><u>43</u></a>
<a href="#"><u>ITEM 6 — EXHIBITS</u></a>	<a href="#"><u>44</u></a>
<a href="#"><u>SIGNATURES</u></a>	<a href="#"><u>45</u></a>

### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q of Clearway Energy LLC, 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, 2023, as well as the following:

- The Company’s ability to maintain and grow its quarterly distributions;
- Potential risks related to the Company’s relationships with CEG and its owners;
- The Company’s ability to successfully identify, evaluate and consummate acquisitions from, and dispositions to, third parties;
- The Company’s ability to acquire assets from CEG;
- 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;
- 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;
- 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 facility-level debt facilities and other agreements of certain subsidiaries and facility-level subsidiaries generally, in the Clearway Energy Operating LLC amended and restated revolving credit facility and in the indentures governing the Senior Notes; and
- 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.

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:

2028 Senior Notes	\$850 million aggregate principal amount of 4.75% unsecured senior notes due 2028, issued by Clearway Energy Operating LLC
2031 Senior Notes	\$925 million aggregate principal amount of 3.75% unsecured senior notes due 2031, issued by Clearway Energy Operating LLC
2032 Senior Notes	\$350 million aggregate principal amount of 3.75% unsecured senior notes due 2032, issued by Clearway Energy Operating LLC
Adjusted EBITDA	A non-GAAP measure, represents earnings before interest (including loss on debt extinguishment), tax, depreciation and amortization 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
ASC	The FASB Accounting Standards Codification, which the FASB established as the source of authoritative GAAP
ATM Program	At-The-Market Equity Offering Program
BESS	Battery energy storage system
BlackRock	BlackRock, Inc.
CAFD	A non-GAAP measure, Cash Available for Distribution is defined as of March 31, 2024 as Adjusted EBITDA plus cash distributions/return of investment from unconsolidated affiliates, cash receipts from notes receivable, cash distributions from noncontrolling interests, adjustments to reflect sales-type lease cash payments and payments for lease expenses, 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
CEG	Clearway Energy Group LLC (formerly Zephyr Renewables LLC)
CEG Master Services Agreement	Amended and Restated Master Services Agreement, dated as of April 30, 2024, among the Company, Clearway, Inc., Clearway Energy Operating LLC and CEG
Clearway, Inc.	Clearway Energy, Inc., the holder of the Company's Class A and Class C units
Clearway Energy Group LLC	The holder of all shares of Clearway, Inc.'s Class B and Class D common stock and the Company's Class B and Class D units and, from time to time, possibly shares of Clearway, Inc.'s Class A and/or Class C common stock
Clearway Energy Operating LLC	The holder of facilities that are owned by the Company
Clearway Renew Company	Clearway Renew LLC, a subsidiary of CEG, and its wholly-owned subsidiaries
Clearway Energy LLC	Clearway Energy LLC, together with its consolidated subsidiaries
CVSR	California Valley Solar Ranch
CVSR Holdco	CVSR Holdco LLC, the indirect owner of CVSR
Distributed Solar	Solar power facilities, typically less than 20 MW in size (on an alternating current, or AC, basis), 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	Assets under common control acquired by the Company from CEG
ERCOT	Electric Reliability Council of Texas, the ISO and the regional reliability coordinator of the various electricity systems within Texas
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
GIM	Global Infrastructure Management, LLC, the manager of GIP
GIP	Global Infrastructure Partners
HLBV	Hypothetical Liquidation at Book Value
IRA	Inflation Reduction Act of 2022
ISO	Independent System Operator, also referred to as an RTO

ITC	Investment Tax Credit
Mesquite Star	Mesquite Star Special LLC
MMBtu	Million British Thermal Units
Mt. Storm	NedPower Mount Storm LLC
MW	Megawatt
MWh	Saleable megawatt hours, net of internal/parasitic load megawatt-hours
Net Exposure	Counterparty credit exposure to Clearway, Inc. net of collateral
OCI	Other comprehensive income
O&M	Operations and Maintenance
PG&E	Pacific Gas and Electric Company
PJM	PJM Interconnection, LLC
PPA	Power Purchase Agreement
RA	Resource adequacy
RENOM	Clearway Renewable Operation & Maintenance LLC, a wholly-owned subsidiary of CEG
Rosie Central BESS	Rosie BESS Devco LLC
RTO	Regional Transmission Organization
SCE	Southern California Edison
SEC	U.S. Securities and Exchange Commission
Senior Notes	Collectively, the 2028 Senior Notes, the 2031 Senior Notes and the 2032 Senior Notes
SOFR	Secured Overnight Financing Rate
SPP	Solar Power Partners
SREC	Solar Renewable Energy Credit
TotalEnergies	TotalEnergies SE
U.S.	United States of America
Utah Solar Portfolio	Seven utility-scale solar farms located in Utah, representing 530 MW of capacity
Utility Scale Solar	Solar power facilities, 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
VIE	Variable Interest Entity

**PART I — FINANCIAL INFORMATION**  
**ITEM 1 — FINANCIAL STATEMENTS**  
**CLEARWAY ENERGY LLC**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

(In millions)	Three months ended March 31,	
	2024	2023
<b>Operating Revenues</b>		
Total operating revenues	\$ 263	\$ 288
<b>Operating Costs and Expenses</b>		
Cost of operations, exclusive of depreciation, amortization and accretion shown separately below	126	108
Depreciation, amortization and accretion	154	128
General and administrative	11	10
Transaction and integration costs	1	—
Total operating costs and expenses	292	246
<b>Operating (Loss) Income</b>	(29)	42
<b>Other Income (Expense)</b>		
Equity in earnings (losses) of unconsolidated affiliates	12	(3)
Other income, net	16	8
Loss on debt extinguishment	(1)	—
Interest expense	(57)	(99)
Total other expense, net	(30)	(94)
<b>Net Loss</b>	(59)	(52)
Less: Net loss attributable to noncontrolling interests and redeemable noncontrolling interests	(33)	(30)
<b>Net Loss Attributable to Clearway Energy LLC</b>	\$ (26)	\$ (22)

See accompanying notes to consolidated financial statements.

**CLEARWAY ENERGY LLC**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(Unaudited)

(In millions)	Three months ended March 31,	
	2024	2023
<b>Net Loss</b>	\$ (59)	\$ (52)
<b>Other Comprehensive Loss</b>		
Unrealized loss on derivatives and changes in accumulated OCI	(1)	(4)
Other comprehensive loss	(1)	(4)
<b>Comprehensive Loss</b>	(60)	(56)
Less: Comprehensive loss attributable to noncontrolling interests and redeemable noncontrolling interests	(30)	(31)
<b>Comprehensive Loss Attributable to Clearway Energy LLC</b>	\$ (30)	\$ (25)

See accompanying notes to consolidated financial statements.

CLEARWAY ENERGY LLC  
CONSOLIDATED BALANCE SHEETS

(In millions)	ASSETS	March 31, 2024 (Unaudited)	December 31, 2023
<b>Current Assets</b>			
Cash and cash equivalents		\$ 478	\$ 535
Restricted cash		485	516
Accounts receivable — trade		184	171
Inventory		58	55
Derivative instruments		54	41
Note receivable — affiliate		178	174
Prepayments and other current assets		44	55
Total current assets		<u>1,481</u>	<u>1,547</u>
<b>Property, plant and equipment, net</b>		<u>9,746</u>	<u>9,526</u>
<b>Other Assets</b>			
Equity investments in affiliates		349	360
Intangible assets for power purchase agreements, net		2,259	2,303
Other intangible assets, net		72	71
Derivative instruments		111	82
Right-of-use assets, net		615	597
Other non-current assets		213	202
Total other assets		<u>3,619</u>	<u>3,615</u>
<b>Total Assets</b>		<u>\$ 14,846</u>	<u>\$ 14,688</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>			
<b>Current Liabilities</b>			
Current portion of long-term debt — external		\$ 565	\$ 558
Current portion of long-term debt — affiliate		1	1
Accounts payable — trade		123	130
Accounts payable — affiliates		32	35
Derivative instruments		52	51
Accrued interest expense		42	57
Accrued expenses and other current liabilities		64	79
Total current liabilities		<u>879</u>	<u>911</u>
<b>Other Liabilities</b>			
Long-term debt — external		7,579	7,479
Deferred income taxes		1	2
Derivative instruments		309	281
Long-term lease liabilities		642	627
Other non-current liabilities		296	282
Total other liabilities		<u>8,827</u>	<u>8,671</u>
<b>Total Liabilities</b>		<u>9,706</u>	<u>9,582</u>
<b>Redeemable noncontrolling interest in subsidiaries</b>		<u>2</u>	<u>1</u>
<b>Commitments and Contingencies</b>			
<b>Members' Equity</b>			
Contributed capital		1,260	1,299
Retained earnings		920	1,027
Accumulated other comprehensive income		11	15
Noncontrolling interest		2,947	2,764
Total Members' Equity		<u>5,138</u>	<u>5,105</u>
<b>Total Liabilities and Members' Equity</b>		<u>\$ 14,846</u>	<u>\$ 14,688</u>

See accompanying notes to consolidated financial statements.



**CLEARWAY ENERGY LLC**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

(In millions)	Three months ended March 31,	
	2024	2023
<b>Cash Flows from Operating Activities</b>		
<b>Net Loss</b>	\$ (59)	\$ (52)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Equity in (earnings) losses of unconsolidated affiliates	(12)	3
Distributions from unconsolidated affiliates	9	6
Depreciation, amortization and accretion	154	128
Amortization of financing costs and debt discounts	4	3
Amortization of intangibles	46	47
Loss on debt extinguishment	1	—
Reduction in carrying amount of right-of-use assets	4	4
Changes in derivative instruments and amortization of accumulated OCI	2	3
Cash used in changes in other working capital:		
Changes in prepaid and accrued liabilities for tolling agreements	(10)	(39)
Changes in other working capital	(58)	(28)
<b>Net Cash Provided by Operating Activities</b>	<b>81</b>	<b>75</b>
<b>Cash Flows from Investing Activities</b>		
Acquisition of Drop Down Assets, net of cash acquired	(111)	(7)
Capital expenditures	(98)	(88)
Return of investment from unconsolidated affiliates	4	9
Other	2	—
<b>Net Cash Used in Investing Activities</b>	<b>(203)</b>	<b>(86)</b>
<b>Cash Flows from Financing Activities</b>		
Contributions from noncontrolling interests, net of distributions	215	214
(Distributions to) contributions from CEG, net	(8)	59
Payments of distributions	(81)	(76)
Proceeds from the issuance of long-term debt — external	74	42
Payments of debt issuance costs	—	(7)
Payments for long-term debt — external	(166)	(204)
<b>Net Cash Provided by Financing Activities</b>	<b>34</b>	<b>28</b>
<b>Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash</b>	<b>(88)</b>	<b>17</b>
<b>Cash, Cash Equivalents and Restricted Cash at Beginning of Period</b>	<b>1,051</b>	<b>996</b>
<b>Cash, Cash Equivalents and Restricted Cash at End of Period</b>	<b>\$ 963</b>	<b>\$ 1,013</b>

See accompanying notes to consolidated financial statements.

CLEARWAY ENERGY LLC  
**CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY**  
For the Three Months Ended March 31, 2024  
(Unaudited)

(In millions)	Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interest	Total Members' Equity
<b>Balances at December 31, 2023</b>	\$ 1,299	\$ 1,027	\$ 15	\$ 2,764	\$ 5,105
Net loss	—	(26)	—	(34)	(60)
Unrealized (loss) gain on derivatives and changes in accumulated OCI	—	—	(4)	3	(1)
Distributions to CEG, net of contributions, cash	(1)	—	—	—	(1)
Contributions from noncontrolling interests, net of distributions, cash	—	—	—	215	215
Transfers of assets under common control	(38)	—	—	(2)	(40)
Distributions paid to Clearway, Inc.	—	(47)	—	—	(47)
Distributions paid to CEG Class B and Class D unit holders	—	(34)	—	—	(34)
Other	—	—	—	1	1
<b>Balances at March 31, 2024</b>	<u>\$ 1,260</u>	<u>\$ 920</u>	<u>\$ 11</u>	<u>\$ 2,947</u>	<u>\$ 5,138</u>

(In millions)	Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interest	Total Members' Equity
<b>Balances at December 31, 2022</b>	\$ 1,308	\$ 1,240	\$ 21	\$ 1,591	\$ 4,160
Net loss	—	(22)	—	(33)	(55)
Unrealized loss on derivatives and changes in accumulated OCI	—	—	(3)	(1)	(4)
Contributions from CEG, net of distributions, cash	30	—	—	—	30
Contributions from noncontrolling interests, net of distributions, cash	—	—	—	215	215
Transfers of assets under common control	(59)	—	—	53	(6)
Distributions paid to Clearway, Inc.	—	(32)	—	—	(32)
Distributions paid to CEG Class B and Class D unit holders	—	(44)	—	—	(44)
<b>Balances at March 31, 2023</b>	<u>\$ 1,279</u>	<u>\$ 1,142</u>	<u>\$ 18</u>	<u>\$ 1,825</u>	<u>\$ 4,264</u>

See accompanying notes to consolidated financial statements.

**CLEARWAY ENERGY LLC**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**Note 1 — Nature of Business**

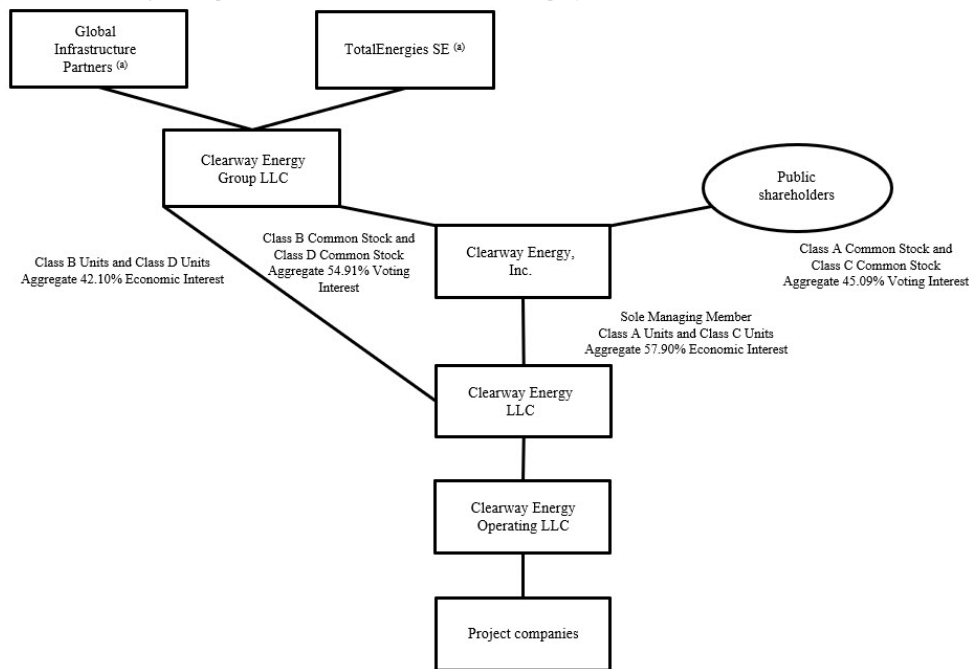
Clearway Energy LLC, together with its consolidated subsidiaries, or the Company, is an energy infrastructure investor with a focus on investments in clean energy and owner of modern, sustainable and long-term contracted assets across North America. The Company is sponsored by GIP and TotalEnergies through the portfolio company, Clearway Energy Group LLC, or CEG, which is equally owned by GIP and TotalEnergies. GIP is an independent infrastructure fund manager that makes equity and debt investments in infrastructure assets and businesses. TotalEnergies is a global multi-energy company. CEG is a leading developer of renewable energy infrastructure in the U.S.

The Company is one of the largest renewable energy owners in the U.S. with approximately 6,200 net MW of installed wind, solar and battery energy storage system, or BESS, facilities. The Company's approximately 8,700 net MW of assets also includes approximately 2,500 net MW of environmentally-sound, highly efficient natural gas-fired generation facilities. Through this environmentally-sound, diversified and primarily contracted portfolio, the Company endeavors to increase distributions to its unit holders. The majority of the Company's revenues are derived from long-term contractual arrangements for the output or capacity from these assets.

Clearway Energy, Inc., or Clearway, Inc., consolidates the results of the Company through its controlling interest, with CEG's interest shown as contributed capital in the Company's consolidated financial statements. The holders of Clearway, Inc.'s outstanding shares of Class A and Class C common stock are entitled to dividends as declared. CEG receives its distributions from the Company through its ownership of the Company's Class B and Class D units.

As of March 31, 2024, Clearway, Inc. owned 57.90% of the economic interests of the Company, with CEG owning 42.10% of the economic interests of the Company.

The following table represents a summarized structure of the Company as of March 31, 2024:



(a) GIP and TotalEnergies each own 50% of CEG through intermediate holding 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 2023 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 March 31, 2024, and results of operations, comprehensive loss and cash flows for the three months ended March 31, 2024 and 2023.

**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. They also impact the reported amounts of net earnings during the reporting periods. Actual results could be different from these estimates.

### Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less at the time of purchase. Cash and cash equivalents held at subsidiary facilities was \$141 million and \$125 million as of March 31, 2024 and December 31, 2023, 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 consolidated statements of cash flows:

	March 31, 2024	December 31, 2023
	(In millions)	
Cash and cash equivalents	\$ 478	\$ 535
Restricted cash	485	516
Cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	<u>\$ 963</u>	<u>\$ 1,051</u>

Restricted cash consists primarily of funds held to satisfy the requirements of certain debt agreements and funds held within the Company's facilities that are restricted in their use. As of March 31, 2024, these restricted funds were comprised of \$173 million designated to fund operating expenses, \$187 million designated for current debt service payments and \$87 million restricted for reserves including debt service, performance obligations and other reserves as well as capital expenditures. The remaining \$38 million is held in distributions reserve accounts.

### Supplemental Cash Flow Information

The following table provides a disaggregation of the amounts classified as Acquisition of Drop Down Assets, net of cash acquired, shown in the consolidated statements of cash flows:

	Three months ended March 31,	
	2024	2023
	(In millions)	
Cash paid to acquire Drop Down Assets	\$ (112)	\$ (21)
Cash acquired from the acquisition of Drop Down Assets	1	14
Acquisition of Drop Down Assets, net of cash acquired	<u>\$ (111)</u>	<u>\$ (7)</u>

### Accumulated Depreciation and Accumulated Amortization

The following table presents the accumulated depreciation included in property, plant and equipment, net, and accumulated amortization included in intangible assets, net:

	March 31, 2024	December 31, 2023
	(In millions)	
Property, Plant and Equipment Accumulated Depreciation	\$ 3,633	\$ 3,485
Intangible Assets Accumulated Amortization	1,055	1,009

### Distributions

The following table lists distributions paid on the Company's Class A, B, C and D units during the three months ended March 31, 2024:

	First Quarter 2024
Distributions per Class A, B, C and D unit	<u>\$ 0.4033</u>

On May 9, 2024, the Company declared a distribution on its Class A, Class B, Class C and Class D units of \$0.4102 per unit payable on June 17, 2024 to unit holders of record as of June 3, 2024.

## Revenue Recognition

### Disaggregated Revenues

The following tables represent the Company's disaggregation of revenue from contracts with customers along with the reportable segment for each category:

(In millions)	Three months ended March 31, 2024		
	Conventional Generation	Renewables	Total
Energy revenue <sup>(a)</sup>	\$ 22	\$ 221	\$ 243
Capacity revenue <sup>(a)</sup>	63	9	72
Other revenues	2	14	16
Contract amortization	(5)	(41)	(46)
Mark-to-market for economic hedges	13	(35)	(22)
Total operating revenues	95	168	263
Less: Mark-to-market for economic hedges	(13)	35	22
Less: Lease revenue	(29)	(177)	(206)
Less: Contract amortization	5	41	46
Total revenue from contracts with customers	\$ 58	\$ 67	\$ 125

<sup>(a)</sup> The following amounts of energy and capacity revenue relate to leases and are accounted for under ASC 842:

(In millions)	Conventional Generation	Renewables	Total
Energy revenue	\$ 1	\$ 169	\$ 170
Capacity revenue	28	8	36
Total	\$ 29	\$ 177	\$ 206

(In millions)	Three months ended March 31, 2023		
	Conventional Generation	Renewables	Total
Energy revenue <sup>(a)</sup>	\$ 1	\$ 198	\$ 199
Capacity revenue <sup>(a)</sup>	100	5	105
Other revenues	—	12	12
Contract amortization	(6)	(41)	(47)
Mark-to-market for economic hedges	—	19	19
Total operating revenues	95	193	288
Less: Mark-to-market for economic hedges	—	(19)	(19)
Less: Lease revenue	(101)	(156)	(257)
Less: Contract amortization	6	41	47
Total revenue from contracts with customers	\$ —	\$ 59	\$ 59

<sup>(a)</sup> The following amounts of energy and capacity revenue relate to leases and are accounted for under ASC 842:

(In millions)	Conventional Generation	Renewables	Total
Energy revenue	\$ 1	\$ 152	\$ 153
Capacity revenue	100	4	104
Total	\$ 101	\$ 156	\$ 257

*Contract Balances*

The following table reflects the contract assets and liabilities included on the Company's consolidated balance sheets:

	March 31, 2024	December 31, 2023
	(In millions)	
Accounts receivable, net - Contracts with customers	\$ 62	\$ 66
Accounts receivable, net - Leases	122	105
Total accounts receivable, net	<u>\$ 184</u>	<u>\$ 171</u>

**Note 3 — Acquisitions**

**Cedar Creek Drop Down** — On April 16, 2024, the Company, through its indirect subsidiary, Cedar Creek Wind Holdco LLC, acquired Cedar Creek Holdco LLC, a 160 MW wind facility that is located in Bingham County, Idaho, from Clearway Renew for cash consideration of \$117 million. Cedar Creek Wind Holdco LLC consolidates as primary beneficiary, Cedar Creek TE Holdco LLC, a tax equity fund that owns the Cedar Creek wind facility. Also on April 16, 2024, a tax equity investor contributed \$108 million to acquire the Class A membership interests in Cedar Creek TE Holdco LLC. Cedar Creek has a 25-year PPA with an investment-grade utility that commenced in March 2024. The acquisition was funded with existing sources of liquidity.

**Texas Solar Nova 2 Drop Down** — On March 15, 2024, the Company, through its indirect subsidiary, TSN1 TE Holdco LLC, acquired Texas Solar Nova 2, LLC, a 200 MW solar facility that is located in Kent County, Texas, from Clearway Renew for cash consideration of \$112 million, \$17 million of which was funded by the Company with the remaining \$95 million funded through a contribution from the cash equity investor in Lighthouse Renewable Holdco 2 LLC, which is a partnership. Lighthouse Renewable Holdco 2 LLC indirectly consolidates as primary beneficiary, TSN1 TE Holdco LLC, a tax equity fund that owns the Texas Solar Nova 1 and Texas Solar Nova 2 solar facilities, as further described in Note 4, *Investments Accounted for by the Equity Method and Variable Interest Entities*. Texas Solar Nova 2 has an 18-year PPA with an investment-grade counterparty that commenced in March 2024. The Texas Solar Nova 2 operations are reflected in the Company's Renewables segment and the Company's portion of the purchase price was funded with existing sources of liquidity. The acquisition was determined to be an asset acquisition and the Company consolidates Texas Solar Nova 2 on a prospective basis in its financial statements. The assets and liabilities transferred to the Company relate to interests under common control and were recorded at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues*. The difference between the cash paid of \$112 million and the historical cost of the Company's net assets acquired of \$72 million was recorded as an adjustment to contributed capital. In addition, the Company reflected \$9 million of the Company's purchase price, which was contributed back to the Company by CEG to pay down the acquired long-term debt, in the line item distributions to CEG, net of contributions in the consolidated statements of members' equity.

The following is a summary of assets and liabilities transferred in connection with the acquisition as of March 15, 2024:

(In millions)	Texas Solar Nova 2
Cash	\$ 1
Property, plant and equipment	280
Right-of-use assets, net	21
Derivative assets	6
Other current and non-current assets	4
Total assets acquired	<u>312</u>
Long-term debt <sup>(a)</sup>	194
Long-term lease liabilities	19
Other current and non-current liabilities	27
Total liabilities assumed	<u>240</u>
Net assets acquired	<u>\$ 72</u>

<sup>(a)</sup> Includes an \$80 million term loan and a \$115 million tax equity bridge loan, offset by \$1 million in unamortized debt issuance costs. See Note 7, *Long-term Debt*, for further discussion of the long-term debt assumed in the acquisition.

**Note 4 — Investments Accounted for by the Equity Method and Variable Interest Entities****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 and entities in which it has a significant investment under the equity method of accounting, as further described under Item 15 — Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*, to the consolidated financial statements included in the Company's 2023 Form 10-K.

The following table reflects the Company's equity investments in unconsolidated affiliates as of March 31, 2024:

Name	Economic Interest	Investment Balance <sup>(a)</sup> (In millions)
Avenal	50%	\$ 6
Desert Sunlight	25%	219
Elkhorn Ridge	67%	13
GenConn <sup>(b)</sup>	50%	76
Rosie Central BESS <sup>(b)</sup>	50%	28
San Juan Mesa	75%	7
		<u>\$ 349</u>

<sup>(a)</sup> The Company's maximum exposure to loss is limited to its investment balances.

<sup>(b)</sup> GenConn and Rosie Central BESS are VIEs.

**Entities that are Consolidated**

As further described under Item 15 — Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*, to the consolidated financial statements included in the Company's 2023 Form 10-K, 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, solar and BESS facilities. The Company also has a controlling financial interest in certain partnership arrangements with third-party investors, which also have been identified as VIEs. Under the Company's arrangements that have been identified as VIEs, the third-party investors are allocated earnings, tax attributes and distributable cash in accordance with the respective limited liability company agreements. Many of these arrangements also provide a mechanism to facilitate achievement of the investor's specified return by providing incremental cash distributions to the investor at a specified date if the specified return has not yet been achieved.

The following is a summary of significant activity during the three months ended March 31, 2024 related to the Company's consolidated VIEs:

**Lighthouse Renewable Holdco 2 LLC**

As described in Note 3, *Acquisitions*, on March 15, 2024, TSN1 TE Holdco LLC, an indirect subsidiary of the Company, acquired Texas Solar Nova 2, LLC. The Company, through Lighthouse Renewable Holdco 2 LLC, a partnership, consolidates TSN1 TE Holdco LLC, a tax equity fund that owns the Texas Solar Nova 1 and Texas Solar Nova 2 solar facilities. The Company recorded the noncontrolling interest of the cash equity investor in Lighthouse Renewable Holdco 2 LLC at historical carrying amount, with the offset to contributed capital. The Class A membership interests in TSN1 TE Holdco LLC are held by a tax equity investor and are reflected as noncontrolling interest on the Company's consolidated balance sheet.

**Daggett Renewable Holdco LLC**

Effective January 1, 2024, the Company and the cash equity investor in Daggett Renewable HoldCo LLC and Daggett 2 TargetCo LLC, the indirect owner of the Daggett 2 solar and BESS facility, agreed to transfer Daggett 2 TargetCo LLC to Daggett Renewable Holdco LLC. As the transfer was among entities under common control, the transaction was recognized at historical cost and no gain or loss was recognized.



Summarized financial information for the Company's consolidated VIEs consisted of the following as of March 31, 2024:

(In millions)	Buckthorn Holdings, LLC	DGPV Funds <sup>(a)</sup>	Langford TE Partnership LLC	Daggett Renewable Holdco LLC <sup>(b)</sup>	Lighthouse Renewable Holdco LLC <sup>(c)</sup>	Lighthouse Renewable Holdco 2 LLC <sup>(d)</sup>
Other current and non-current assets	\$ 3	\$ 51	\$ 24	\$ 226	\$ 73	\$ 165
Property, plant and equipment	183	376	113	1,389	408	1,343
Intangible assets	—	1	—	—	—	1
Total assets	186	428	137	1,615	481	1,509
Current and non-current liabilities	12	49	70	646	140	565
Total liabilities	12	49	70	646	140	565
Noncontrolling interest	13	5	66	959	253	712
Net assets less noncontrolling interest	\$ 161	\$ 374	\$ 1	\$ 10	\$ 88	\$ 232

<sup>(a)</sup> DGPV Funds is comprised of Clearway & EFS Distributed Solar LLC, Golden Puma Fund LLC, Renew Solar CS4 Fund LLC and Chestnut Fund LLC, which are all tax equity funds.

<sup>(b)</sup> Daggett Renewable Holdco LLC consolidates Daggett TE Holdco LLC and Daggett 2 TE Holdco LLC, which are consolidated VIEs.

<sup>(c)</sup> Lighthouse Renewable Holdco LLC consolidates Black Rock TE Holdco LLC and Mililani TE Holdco LLC, which are consolidated VIEs.

<sup>(d)</sup> Lighthouse Renewable Holdco 2 LLC consolidates Mesquite Sky TE Holdco LLC, Mesquite Star Tax Equity Holdco LLC and TSN1 TE Holdco LLC, which are consolidated VIEs.

(In millions)	Oahu Solar LLC	Rattlesnake TE Holdco LLC	Rosie TargetCo LLC	VP-Arica TargetCo LLC <sup>(a)</sup>	Wildorado TE Holdco LLC	Other <sup>(b)</sup>
Other current and non-current assets	\$ 37	\$ 14	\$ 303	\$ 101	\$ 29	\$ 27
Property, plant and equipment	155	173	528	1,019	184	234
Intangible assets	—	—	—	2	—	15
Total assets	192	187	831	1,122	213	276
Current and non-current liabilities	22	17	397	893	17	91
Total liabilities	22	17	397	893	17	91
Noncontrolling interest	22	81	180	68	97	91
Net assets less noncontrolling interest	\$ 148	\$ 89	\$ 254	\$ 161	\$ 99	\$ 94

<sup>(a)</sup> VP-Arica TargetCo LLC consolidates VP-Arica TE Holdco LLC, a consolidated VIE that owns the Victory Pass and Arica solar and BESS facilities.

<sup>(b)</sup> Other is comprised of Elbow Creek TE Holdco LLC, Pinnacle Repowering TE Holdco LLC and the Spring Canyon facilities.

## 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 — trade, note receivable — affiliate, accounts payable — trade, accounts payable — affiliates and accrued expenses and other current 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 carrying amount and estimated fair value of the Company's recorded financial instrument not carried at fair market value or that does not approximate fair value is as follows:

	As of March 31, 2024		As of December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In millions)			
Long-term debt, including current portion — affiliate	\$ 1	\$ 1	\$ 1	\$ 1
Long-term debt, including current portion — external <sup>(a)</sup>	8,204	7,631	8,102	7,611

<sup>(a)</sup> 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 Level 2 within the fair value hierarchy. The fair value of debt securities, non-publicly traded long-term debt and certain notes receivable 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 March 31, 2024		As of December 31, 2023	
	Level 2	Level 3	Level 2	Level 3
	(In millions)			
Long-term debt, including current portion	\$ 1,890	\$ 5,742	\$ 1,940	\$ 5,672

### Recurring Fair Value Measurements

The Company records its derivative assets and liabilities at fair market value on its consolidated balance sheets. 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:

(In millions)	As of March 31, 2024		As of December 31, 2023	
	Fair Value <sup>(a)</sup>		Fair Value <sup>(a)</sup>	
	Level 2 <sup>(b)</sup>	Level 3	Level 2 <sup>(b)</sup>	Level 3
<b>Derivative assets:</b>				
Energy-related commodity contracts <sup>(c)</sup>	\$ —	\$ 8	\$ 2	\$ —
Interest rate contracts	157	—	121	—
<b>Other financial instruments <sup>(d)</sup></b>				
<b>Total assets</b>	<u>\$ 157</u>	<u>\$ 22</u>	<u>\$ 123</u>	<u>\$ 13</u>
<b>Derivative liabilities:</b>				
Energy-related commodity contracts <sup>(e)</sup>	\$ —	\$ 361	\$ —	\$ 330
Interest rate contracts	—	—	2	—
<b>Total liabilities</b>	<u>\$ —</u>	<u>\$ 361</u>	<u>\$ 2</u>	<u>\$ 330</u>

<sup>(a)</sup> There were no derivative assets or liabilities classified as Level 1 as of March 31, 2024 and December 31, 2023.

<sup>(b)</sup> The Company's interest rate swaps are measured at fair value using an income approach, which uses readily observable inputs, such as forward interest rates (e.g., SOFR) and contractual terms to estimate fair value.

<sup>(c)</sup> Includes long-term backbone transportation service contracts classified as Level 2 and short-term heat rate call option contracts classified as Level 3.

<sup>(d)</sup> Includes SREC contract.

<sup>(e)</sup> As of March 31, 2024 and December 31, 2023, amounts include \$361 million and \$325 million related to long-term power commodity contracts and zero and \$5 million related to short-term heat rate call option contracts, respectively.

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

(In millions)	Three months ended March 31,	
	2024	2023
	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)	
<b>Beginning balance</b>	\$ (317)	\$ (336)
Settlements	(1)	4
Total (losses) gains for the period included in earnings	(21)	16
<b>Ending balance</b>	\$ (339)	\$ (316)
Change in unrealized losses included in earnings for derivatives and other financial instruments held as of March 31, 2024	\$ (21)	

#### Derivative and Financial Instruments Fair Value Measurements

The Company's contracts are non-exchange-traded and valued using prices provided by external sources. The Company uses quoted observable forward prices to value its energy-related commodity contracts, which includes long-term power commodity contracts and heat rate call option contracts. To the extent that observable forward prices are not available, the quoted prices reflect the average of the forward prices from the prior year, adjusted for inflation. As of March 31, 2024, contracts valued with prices provided by models and other valuation techniques make up 6% of derivative assets and 100% of derivative liabilities and other financial instruments.

The Company's significant positions classified as Level 3 include physical and financial energy-related commodity contracts 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 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 table quantifies the significant unobservable inputs used in developing the fair value of the Company's Level 3 positions:

	March 31, 2024						
	Fair Value			Significant Unobservable Input	Input/Range		
	Assets	Liabilities	Valuation Technique		Low	High	Weighted Average
	(In millions)						
<b>Long-term Power Commodity Contracts</b>	\$ —	\$ 361	Discounted Cash Flow	Forward Market Price (per MWh)	\$ 19.73	\$ 86.87	43.47
<b>Heat Rate Call Option Commodity Contracts</b>	\$ 8	\$ —	Option Model	Forward Market Price (per MWh)	\$ (28.22)	\$ 1,321.77	53.33
			Option Model	Forward Market Price (per MMBtu)	\$ 1.15	\$ 14.51	5.52
<b>Other Financial Instruments</b>	\$ 14	\$ —	Discounted Cash Flow	Forecast annual generation levels of certain DG solar facilities	60,801 MWh	121,602 MWh	115,622 MWh

The following table provides the impact on the fair value measurements to increases/(decreases) in significant unobservable inputs as of March 31, 2024:

Type	Significant Unobservable Input	Position	Change In Input	Impact on Fair Value Measurement
Energy-Related Commodity Contracts	Forward Market Price Power	Sell	Increase/(Decrease)	Lower/(Higher)
Energy-Related Commodity Contracts	Forward Market Price Gas	Sell	Increase/(Decrease)	Higher/(Lower)
Other Financial Instruments	Forecast Generation Levels	Sell	Increase/(Decrease)	Higher/(Lower)

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 March 31, 2024, the non-performance reserve was a \$12 million gain recorded primarily to total operating revenues 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 as disclosed under Item 15 — Note 2, *Summary of Significant Accounting Policies*, to the consolidated financial statements included in the Company's 2023 Form 10-K, the following item 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 on an as needed basis; (iii) as applicable, 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. A significant portion of these energy-related commodity 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. Certain subsidiaries of the Company sell the output of their facilities to PG&E, a significant counterparty of the Company, under long-term PPAs, and PG&E's credit rating is below investment-grade.

#### Note 6 — Derivative Instruments and Hedging Activities

This footnote should be read in conjunction with the complete description under Item 15 — Note 7, *Accounting for Derivative Instruments and Hedging Activities*, to the consolidated financial statements included in the Company's 2023 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 March 31, 2024, the Company had interest rate derivative instruments on non-recourse debt extending through 2040, 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 Commodity Contracts

As of March 31, 2024, the Company had energy-related derivative instruments extending through 2033. At March 31, 2024, 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/(sell) of the Company's open derivative transactions broken out by commodity:

Commodity	Units	Total Volume	
		March 31, 2024	December 31, 2023
		(In millions)	
Power	MWh	(21)	(23)
Natural Gas	MMBtu	16	17
Interest	Dollars	\$ 1,610	\$ 2,467

### Fair Value of Derivative Instruments

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

	Fair Value			
	Derivative Assets		Derivative Liabilities	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
	(In millions)			
<b>Derivatives Designated as Cash Flow Hedges:</b>				
Interest rate contracts current	\$ 8	\$ 7	\$ —	\$ —
Interest rate contracts long-term	17	12	—	2
<b>Total Derivatives Designated as Cash Flow Hedges</b>	<b>\$ 25</b>	<b>\$ 19</b>	<b>\$ —</b>	<b>\$ 2</b>
<b>Derivatives Not Designated as Cash Flow Hedges:</b>				
Interest rate contracts current	\$ 38	\$ 33	\$ —	\$ —
Interest rate contracts long-term	94	69	—	—
Energy-related commodity contracts current	8	1	52	51
Energy-related commodity contracts long-term	—	1	309	279
<b>Total Derivatives Not Designated as Cash Flow Hedges</b>	<b>\$ 140</b>	<b>\$ 104</b>	<b>\$ 361</b>	<b>\$ 330</b>
<b>Total Derivatives</b>	<b>\$ 165</b>	<b>\$ 123</b>	<b>\$ 361</b>	<b>\$ 332</b>

The Company has elected to present derivative assets and liabilities on the balance sheet on a trade-by-trade basis and does not offset amounts at the counterparty level. As of March 31, 2024 and December 31, 2023, the amount of outstanding collateral paid or received was immaterial. The following tables summarize the offsetting of derivatives by counterparty:

As of March 31, 2024	Gross Amounts Not Offset in the Statement of Financial Position		
	Gross Amounts of Recognized Assets/Liabilities	Derivative Instruments	Net Amount
	(In millions)		
<b>Energy-related commodity contracts</b>			
Derivative assets	\$ 8	\$ —	\$ 8
Derivative liabilities	(361)	—	(361)
<b>Total energy-related commodity contracts</b>	<b>\$ (353)</b>	<b>\$ —</b>	<b>\$ (353)</b>
<b>Interest rate contracts</b>			
Derivative assets	\$ 157	\$ —	\$ 157
<b>Total interest rate contracts</b>	<b>\$ 157</b>	<b>\$ —</b>	<b>\$ 157</b>
<b>Total derivative instruments</b>	<b>\$ (196)</b>	<b>\$ —</b>	<b>\$ (196)</b>

As of December 31, 2023	Gross Amounts Not Offset in the Statement of Financial Position		
	Gross Amounts of Recognized Assets/Liabilities	Derivative Instruments	Net Amount
<b>Energy-related commodity contracts</b>	(In millions)		
Derivative assets	\$ 2	\$ —	\$ 2
Derivative liabilities	(330)	—	(330)
<b>Total energy-related commodity contracts</b>	\$ (328)	\$ —	\$ (328)
<b>Interest rate contracts</b>			
Derivative assets	\$ 121	\$ (2)	\$ 119
Derivative liabilities	(2)	2	—
<b>Total interest rate contracts</b>	\$ 119	\$ —	\$ 119
<b>Total derivative instruments</b>	\$ (209)	\$ —	\$ (209)

#### Accumulated Other Comprehensive Income

The following table summarizes the effects on the Company's accumulated OCI balance attributable to interest rate swaps designated as cash flow hedge derivatives:

	Three months ended March 31,	
	2024	2023
	(In millions)	
Accumulated OCI beginning balance	\$ 20	\$ 27
Reclassified from accumulated OCI to income due to realization of previously deferred amounts	(1)	—
Mark-to-market of cash flow hedge accounting contracts	—	(4)
Accumulated OCI ending balance	19	23
Accumulated OCI attributable to noncontrolling interests	8	5
Accumulated OCI attributable to Clearway Energy LLC	\$ 11	\$ 18
Gains expected to be realized from OCI during the next 12 months	\$ 6	—

Amounts reclassified from accumulated OCI into income are recorded to interest expense.

#### Impact of Derivative Instruments on the Consolidated Statements of Operations

Mark-to-market gains/(losses) related to the Company's derivatives are recorded in the consolidated statements of operations as follows:

	Three months ended March 31,	
	2024	2023
	(In millions)	
Interest Rate Contracts (Interest expense)	\$ 23	\$ (21)
Energy-Related Commodity Contracts (Mark-to-market for economic hedging activities) <sup>(a)</sup>	(23)	18
Energy-Related Commodity Contracts (Mark-to-market for economic hedging activities included in Cost of operations) <sup>(b)</sup>	(2)	—

<sup>(a)</sup> Relates to long-term energy related commodity contracts at Elbow Creek, Mesquite Star, Mt. Storm, Langford and Mesquite Sky and short-term heat rate call option energy-related commodity contracts at El Segundo, Marsh Landing and Walnut Creek.

<sup>(b)</sup> Relates to long-term backbone transportation service energy-related commodity contracts at El Segundo and Walnut Creek.

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

## Note 7 — Long-term Debt

This note should be read in conjunction with the complete description under Item 15 — Note 10, *Long-term Debt*, to the consolidated financial statements included in the Company's 2023 Form 10-K. The Company's borrowings, including short-term and long-term portions, consisted of the following:

(In millions, except rates)	March 31, 2024	December 31, 2023	March 31, 2024 <sup>(a)</sup> interest rate %	Letters of Credit Outstanding at March 31, 2024
Intercompany Note with Clearway, Inc.	\$ 1	\$ 1	4.710	
2028 Senior Notes	850	850	4.750	
2031 Senior Notes	925	925	3.750	
2032 Senior Notes	350	350	3.750	
Clearway Energy LLC and Clearway Energy Operating LLC Revolving Credit Facility, due 2028 <sup>(b)</sup>	—	—	S+1.850	\$ 228
<b>Non-recourse facility-level debt:</b>				
Agua Caliente Solar LLC, due 2037	607	612	2.395-3.633	14
Alta Wind Asset Management LLC, due 2031	11	11	S+2.775	—
Alta Wind I-V lease financing arrangements, due 2034 and 2035	660	660	5.696-7.015	67
Alta Wind Realty Investments LLC, due 2031	19	20	7.000	—
Borrego, due 2024 and 2038	48	48	Various	4
Broken Bow, due 2031	40	41	S+2.100	6
Buckthorn Solar, due 2025	116	116	S+2.100	20
Carlsbad Energy Holdings LLC, due 2027	92	93	S+1.900	73
Carlsbad Energy Holdings LLC, due 2038	407	407	4.120	—
Carlsbad Holdco, LLC, due 2038	195	195	4.210	5
Cedro Hill, due 2024 and 2029	168	165	S+1.375	—
Crofton Bluffs, due 2031	26	27	S+2.100	3
CVSR, due 2037	585	601	2.339-3.775	—
CVSR Holdco Notes, due 2037	143	152	4.680	12
Daggett 2, due 2028	156	156	S+1.762	32
Daggett 3, due 2028	217	217	S+1.762	44
DG-CS Master Borrower LLC, due 2040	378	385	3.510	29
Mililani Class B Member Holdco LLC, due 2028	92	92	S+1.600	18
NIMH Solar, due 2024	146	148	S+2.275	12
Oahu Solar Holdings LLC, due 2026	80	81	S+1.525	10
Rosie Class B LLC, due 2024 and 2029	353	347	S+1.250-1.375	26
Texas Solar Nova 1, due 2028 <sup>(c)</sup>	—	102	S+1.750	—
TSN1 Class B Member LLC, due 2029 <sup>(c)</sup>	182	—	S+1.750	88
Utah Solar Holdings, due 2036	242	242	3.590	155
Viento Funding II, LLC, due 2029	171	175	S+1.475	27
Victory Pass and Arica, due 2024	819	757	S+1.125	—
Other	123	124	Various	73
Subtotal non-recourse facility-level debt	6,076	5,974		
Total debt	8,202	8,100		
Less current maturities	(566)	(559)		
Less net debt issuance costs	(60)	(65)		
Add premiums <sup>(d)</sup>	3	3		
Total long-term debt	\$ 7,579	\$ 7,479		

<sup>(a)</sup> As of March 31, 2024, S+ equals SOFR plus x%.

<sup>(b)</sup> Applicable rate is determined by the borrower leverage ratio, as defined in the credit agreement.

<sup>(c)</sup> On March 15, 2024, Texas Solar Nova 1's financing agreement was amended to merge the facility-level debt of Texas Solar Nova 1 and Texas Solar Nova 2 as a combined term loan under TSN1 Class B Member LLC.

<sup>(d)</sup> Premiums relate to the 2028 Senior 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 March 31, 2024, the Company was in compliance with all of the required covenants.

The discussion below describes material changes to or additions of long-term debt for the three months ended March 31, 2024.

**Clearway Energy LLC and Clearway Energy Operating LLC Revolving Credit Facility**

As of March 31, 2024, the Company had no outstanding borrowings under the revolving credit facility and \$228 million in letters of credit outstanding.

**Facility-level Debt**

*Victory Pass and Arica*

On May 1, 2024, when the Victory Pass and Arica solar and BESS facilities reached substantial completion, the Company paid \$165 million to Clearway Renew as an additional purchase price, in connection with the Company's acquisition of the Class A membership interests in VP-Arica TargetCo LLC on October 31, 2023, which was funded with existing sources of liquidity. During the three months ended March 31, 2024, the Company borrowed an additional \$62 million in tax equity bridge loans. Also on May 1, 2024, the cash equity investor contributed an additional \$347 million, the tax equity investor contributed an additional \$410 million and CEG contributed \$52 million, which were utilized, along with the \$103 million in escrow, to repay the \$351 million cash equity bridge loan, to repay the \$468 million tax equity bridge loan, to fund \$75 million in construction completion reserves and to pay \$18 million in associated fees.

*Texas Solar Nova 1 and Texas Solar Nova 2*

On March 15, 2024, as part of the acquisition of Texas Solar Nova 2, as further described in Note 3, *Acquisitions*, the Company assumed the facility's financing agreement, which included an \$80 million term loan and a \$115 million tax equity bridge loan, offset by \$1 million in unamortized debt issuance costs. At acquisition date, the tax equity investor contributed \$130 million, which was utilized, along with \$9 million of the Company's purchase price that was contributed back by CEG, to repay the \$115 million tax equity bridge loan, to fund \$19 million in construction completion reserves, which is included in restricted cash on the Company's consolidated balance sheet, and to pay \$4 million in associated fees.

Additionally, on March 15, 2024, Texas Solar Nova 1's financing agreement was amended to merge the Texas Solar Nova 1 and Texas Solar Nova 2 term loans as a combined term loan under TSN1 Class B Member LLC that matures on March 15, 2029.

**Note 8 — 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 and renewable businesses, which consist of solar, wind and battery energy storage system, or BESS, facilities. The Corporate segment reflects the Company's corporate costs and includes eliminating entries. 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 net income (loss).

(In millions)	Three months ended March 31, 2024			
	Conventional Generation	Renewables	Corporate <sup>(a)</sup>	Total
Operating revenues	\$ 95	\$ 168	\$ —	\$ 263
Cost of operations, exclusive of depreciation, amortization and accretion shown separately below	42	85	(1)	126
Depreciation, amortization and accretion	32	122	—	154
General and administrative	—	—	11	11
Transaction and integration costs	—	—	1	1
Operating income (loss)	21	(39)	(11)	(29)
Equity in earnings of unconsolidated affiliates	1	11	—	12
Other income, net	1	10	5	16
Loss on debt extinguishment	—	(1)	—	(1)
Interest expense	(7)	(25)	(25)	(57)
<b>Net Income (Loss)</b>	<b>\$ 16</b>	<b>\$ (44)</b>	<b>\$ (31)</b>	<b>\$ (59)</b>
<b>Total Assets</b>	<b>\$ 2,049</b>	<b>\$ 12,448</b>	<b>\$ 349</b>	<b>\$ 14,846</b>

<sup>(a)</sup> Includes eliminations.

(In millions)	Three months ended March 31, 2023			
	Conventional Generation	Renewables	Corporate <sup>(a)</sup>	Total
Operating revenues	\$ 95	\$ 193	\$ —	\$ 288
Cost of operations, exclusive of depreciation, amortization and accretion shown separately below	29	79	—	108
Depreciation, amortization and accretion	33	95	—	128
General and administrative	—	—	10	10
Operating income (loss)	33	19	(10)	42
Equity in earnings (losses) of unconsolidated affiliates	1	(4)	—	(3)
Other income, net	1	1	6	8
Interest expense	(11)	(64)	(24)	(99)
<b>Net Income (Loss)</b>	<b>\$ 24</b>	<b>\$ (48)</b>	<b>\$ (28)</b>	<b>\$ (52)</b>

<sup>(a)</sup> Includes eliminations.

#### Note 9 — 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 and its subsidiaries. Amounts due to CEG subsidiaries are recorded as accounts payable — affiliates and amounts due to the Company from CEG subsidiaries are recorded as accounts receivable — affiliates in the Company's consolidated balance sheets. The disclosures below summarize the Company's material related party transactions with CEG and its subsidiaries that are included in the Company's operating costs.

##### O&M Services Agreements by and between the Company and Clearway Renewable Operation & Maintenance LLC

Various wholly-owned subsidiaries of the Company in the Renewables segment are party to services agreements with Clearway Renewable Operation & Maintenance LLC, or RENOM, a wholly-owned subsidiary of CEG, which provides operation and maintenance, or O&M, services to these subsidiaries. The Company incurred total expenses for these services of \$19 million and \$17 million for the three months ended March 31, 2024 and 2023, respectively. There was a balance of \$10 million and \$13 million due to RENOM as of March 31, 2024 and December 31, 2023, respectively.

***Administrative Services Agreements by and between the Company and CEG***

Various wholly-owned subsidiaries of the Company are parties to services agreements with Clearway Asset Services LLC and Solar Asset Management LLC, two wholly-owned subsidiaries of CEG, which provide various administrative services to the Company's subsidiaries. The Company incurred expenses under these agreements of \$6 million and \$4 million for the three months ended March 31, 2024, and 2023, respectively. There was a balance of \$2 million due to CEG for each of the periods ended March 31, 2024 and December 31, 2023.

***CEG Master Services Agreement***

The Company is a party to the CEG Master Services Agreement, pursuant to which CEG and certain of its affiliates or third-party service providers provide certain services to the Company, including operational and administrative services, which include human resources, information systems, cybersecurity, external affairs, accounting, procurement and risk management services, and the Company provides certain services to CEG, including accounting, internal audit, tax and treasury services, in exchange for the payment of fees in respect of such services. The Company incurred net expenses under these agreements of \$1 million for each of the three months ended March 31, 2024 and 2023.

On April 30, 2024, the CEG Master Services Agreement was amended and restated as a result of a reorganization effected by the Company pursuant to which all of the employees and operations of the Company will transfer to CEG as of January 1, 2025. Under the amended and restated agreement, CEG and certain of its affiliates or third-party service providers will continue to provide the operational and administrative services outlined above, and, effective January 1, 2025, CEG will also provide accounting, internal audit, tax, legal and treasury services, in exchange for payment of fees in respect of such services. Certain independent functions will be directed by the Company's Governance, Conflicts and Nominating Committee and paid for by the Company, while being administered by CEG.

## 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 three months ended March 31, 2024 and 2023. Also refer to the Company’s 2023 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;
- Results of operations, including an explanation of significant differences between the periods in the specific line items of the consolidated statements of operations;
- Financial condition addressing liquidity position, sources and uses of cash, capital resources and requirements, commitments and off-balance sheet arrangements;
- Known trends that may affect the Company’s results of operations and financial condition in the future; 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 LLC, together with its consolidated subsidiaries, or the Company, is an energy infrastructure investor with a focus on investments in clean energy and owner of modern, sustainable and long-term contracted assets across North America. The Company is sponsored by GIP and TotalEnergies through the portfolio company, Clearway Energy Group LLC, or CEG, which is equally owned by GIP and TotalEnergies. GIP is an independent infrastructure fund manager that makes equity and debt investments in infrastructure assets and businesses. TotalEnergies is a global multi-energy company. CEG is a leading developer of renewable energy infrastructure in the U.S. On January 12, 2024, BlackRock entered into a definitive agreement to acquire 100% of the business and assets of GIM, which is the investment manager of the GIP funds that own an interest in CEG. BlackRock has indicated that the transaction is expected to close in the third quarter of 2024, subject to regulatory approvals and other customary closing conditions. BlackRock is a publicly-traded global investment management firm.

The Company is one of the largest renewable energy owners in the U.S. with approximately 6,200 net MW of installed wind, solar and battery energy storage system, or BESS, facilities. The Company's approximately 8,700 net MW of assets also includes approximately 2,500 net MW of environmentally-sound, highly efficient natural gas-fired generation facilities. Through this environmentally-sound, diversified and primarily contracted portfolio, the Company endeavors to increase distributions to its unit holders. The majority of the Company's revenues are derived from long-term contractual arrangements for the output or capacity from these assets. The weighted average remaining contract duration of these offtake agreements was approximately 10 years as of March 31, 2024 based on CAFD.

As of March 31, 2024, the Company's operating assets are comprised of the following facilities:

Facilities	Percentage Ownership	Net Capacity (MW) <sup>(a)</sup>	Counterparty	Expiration
<b>Conventional</b>				
Carlsbad	100 %	527	San Diego Gas & Electric	2038
El Segundo	100 %	550	SCE	2026 - 2027
GenConn Devon	50 %	95	Connecticut Light & Power	2040
GenConn Middletown	50 %	95	Connecticut Light & Power	2041
Marsh Landing	100 %	720	Various	2026 - 2030
Walnut Creek	100 %	485	SCE	2026
<b>Total Conventional</b>		<b>2,472</b>		
<b>Utility Scale Solar</b>				
Agua Caliente	51 %	148	PG&E	2039
Alpine	100 %	66	PG&E	2033
Arica <sup>(b)</sup>	40 %	40	Various	2041
Avenal	50 %	23	PG&E	2031
Avra Valley	100 %	27	Tucson Electric Power	2032
Blythe	100 %	21	SCE	2029
Borrego	100 %	26	San Diego Gas and Electric	2038
Buckthorn Solar <sup>(b)</sup>	100 %	150	City of Georgetown, TX	2043
CVSR	100 %	250	PG&E	2038
Daggett 2 <sup>(b)</sup>	25 %	46	Various	2038
Daggett 3 <sup>(b)</sup>	25 %	75	Various	2033 - 2038
Desert Sunlight 250	25 %	63	SCE	2034
Desert Sunlight 300	25 %	75	PG&E	2039
Kansas South	100 %	20	PG&E	2033
Mililani 1 <sup>(b)</sup>	50 %	20	Hawaiian Electric Company	2042
Oahu Solar <sup>(b)</sup>	100 %	61	Hawaiian Electric Company	2041
Roadrunner	100 %	20	El Paso Electric	2031
Rosamond Central <sup>(b)</sup>	50 %	96	Various	2035 - 2047
TA High Desert	100 %	20	SCE	2033

Facilities	Percentage Ownership	Net Capacity (MW)	Counterparty	Expiration
Texas Solar Nova 1 <sup>(b)</sup>	50 %	126	Verizon	2042
Texas Solar Nova 2 <sup>(b)</sup>	50 %	100	Verizon	2042
Utah Solar Portfolio	100 %	530	PacifiCorp	2036
Victory Pass <sup>(b)</sup>	40 %	80	Various	2039
Waiawa <sup>(b)</sup>	50 %	18	Hawaiian Electric Company	2043
<b>Total Utility Scale Solar</b>		<b>2,101</b>		
<b>BESS</b>				
Daggett 2 <sup>(b)</sup>	25 %	33	Various	2038
Daggett 3 <sup>(b)</sup>	25 %	37	Various	2033 - 2038
Mililani I <sup>(b)</sup>	50 %	20	Hawaiian Electric Company	2042
Victory Pass <sup>(b)</sup>	40 %	20	Various	2039
Waiawa <sup>(b)</sup>	50 %	18	Hawaiian Electric Company	2043
<b>Total BESS</b>		<b>128</b>		
<b>Distributed Solar</b>				
DGPV Funds <sup>(b)</sup>	100 %	286	Various	2030 - 2044
Solar Power Partners (SPP)	100 %	25	Various	2026 - 2037
Other DG Facilities	100 %	21	Various	2025 - 2039
<b>Total Distributed Solar</b>		<b>332</b>		
<b>Wind</b>				
Alta I	100 %	150	SCE	2035
Alta II	100 %	150	SCE	2035
Alta III	100 %	150	SCE	2035
Alta IV	100 %	102	SCE	2035
Alta V	100 %	168	SCE	2035
Alta X	100 %	137	SCE	2038
Alta XI	100 %	90	SCE	2038
Black Rock <sup>(b)</sup>	50 %	58	Toyota and AEP	2036
Broken Bow	100 %	80	Nebraska Public Power District	2032
Buffalo Bear	100 %	19	Western Farmers Electric Co-operative	2033
Cedro Hill	100 %	150	CPS Energy	2030
Crofton Bluffs	100 %	42	Nebraska Public Power District	2032
Elbow Creek <sup>(b)</sup>	100 %	122	Various	2029
Elkhorn Ridge	66.7 %	54	Nebraska Public Power District	2029
Forward	100 %	29	Constellation NewEnergy, Inc.	2025
Goat Wind	100 %	150	Dow Pipeline Company	2025
Langford <sup>(b)</sup>	100 %	160	Goldman Sachs	2033
Laredo Ridge	100 %	81	Nebraska Public Power District	2031
Lookout	100 %	38	Southern Maryland Electric Cooperative	2030
Mesquite Sky <sup>(b)</sup>	50 %	170	Various	2033 - 2036
Mesquite Star <sup>(b)</sup>	50 %	210	Various	2032 - 2035
Mountain Wind 1	100 %	61	PacifiCorp	2033
Mountain Wind 2	100 %	80	PacifiCorp	2033
Mt. Storm	100 %	264	Citigroup	2031
Ocotillo	100 %	55	N/A	
Odin	99.9 %	21	Missouri River Energy Services	2028
Pinnacle <sup>(b)</sup>	100 %	54	Maryland Department of General Services and University System of Maryland	2031
Rattlesnake <sup>(b) (c)</sup>	100 %	160	Avista Corporation	2040

Facilities	Percentage Ownership	Net Capacity (MW)	Counterparty	Expiration
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 <sup>(b)</sup>	90.1 %	31	Platte River Power Authority	2039
Spring Canyon III <sup>(b)</sup>	90.1 %	26	Platte River Power Authority	2039
Taloga	100 %	130	Oklahoma Gas & Electric	2031
Wildorado <sup>(b)</sup>	100 %	161	Southwestern Public Service Company	2027
<b>Total Wind</b>		3,658		
<b>Total net generation capacity</b>		8,691		

<sup>(a)</sup> Net capacity represents the maximum, or rated, generating or storage capacity of the facility multiplied by the Company's percentage ownership in the facility as of March 31, 2024.

<sup>(b)</sup> Facilities are part of tax equity arrangements, as further described in Note 4, *Investments Accounted for by the Equity Method and Variable Interest Entities*.

<sup>(c)</sup> Rattlesnake has a deliverable capacity of 144 MW.

## Significant Events

### *Drop Down Transactions*

- On May 3, 2024, the Company, through an indirect subsidiary, entered into an agreement with Clearway Renew to acquire the Class A membership interests in Dan's Mountain, a 55 MW wind facility currently under construction in Allegany County, Maryland, for \$44 million in cash consideration, subject to closing adjustments. The consummation of the transaction is subject to customary closing conditions and certain third-party approvals and is expected in the first half of 2025.
- On May 7, 2024, the Company, through an indirect subsidiary, entered into an agreement with Clearway Renew to acquire the Class A membership interests in Rosamond South I, a 140 MW solar facility that will be paired with a 117 MW BESS currently under development in Rosamond, California, for \$21 million in cash consideration, subject to closing adjustments. The consummation of the transaction is subject to customary closing conditions and certain third-party approvals and is expected in the first half of 2025.
- On April 16, 2024, the Company, through its indirect subsidiary, Cedar Creek Wind Holdco LLC, acquired Cedar Creek Holdco LLC, a 160 MW wind facility that is located in Bingham County, Idaho, from Clearway Renew for cash consideration of \$117 million. Cedar Creek Wind Holdco LLC consolidates as primary beneficiary, Cedar Creek TE Holdco LLC, a tax equity fund that owns the Cedar Creek wind facility. See Note 3, *Acquisitions*, for further discussion of the transaction.
- On March 15, 2024, the Company, through its indirect subsidiary, TSN1 TE Holdco LLC, acquired Texas Solar Nova 2, LLC, a 200 MW solar facility that is located in Kent County, Texas, from Clearway Renew for cash consideration of \$112 million, \$17 million of which was funded by the Company with the remaining \$95 million funded through a contribution from the cash equity investor in Lighthouse Renewable Holdco 2 LLC, which is a partnership. Lighthouse Renewable Holdco 2 LLC indirectly consolidates as primary beneficiary, TSN1 TE Holdco LLC, a tax equity fund that owns the Texas Solar Nova 1 and Texas Solar Nova 2 solar facilities. See Note 3, *Acquisitions*, for further discussion of the transaction.

### *RA Agreements*

- On May 6, 2024, the Company contracted with a load serving entity to sell approximately 97 MW of Walnut Creek's RA commencing in January 2027 and ending in December 2027. Walnut Creek is contracted for 100% of its capacity through 2026 and is now contracted for approximately 20% of its capacity through 2027.
- On March 28, 2024, the Company contracted with a load serving entity to sell approximately 90 MW of Marsh Landing's RA commencing in September 2026 and ending in December 2030. Marsh Landing is now contracted for 100% of its capacity through the majority of 2026 and approximately 74% of its capacity through 2027.

### *Facility-level Financing Activities*

- In connection with the 2024 Drop Down of Texas Solar Nova 2, the Company assumed non-recourse facility-level debt. See Note 7, *Long-term Debt*, for further discussion of the non-recourse facility-level debt.
- On May 1, 2024, when the Victory Pass and Arica solar and BESS facilities reached substantial completion, the Company paid \$165 million to Clearway Renew as an additional purchase price, in connection with the Company's acquisition of the Class A membership interests in VP-Arica TargetCo LLC on October 31, 2023. Also on May 1, 2024, the cash equity investor contributed an additional \$347 million, the tax equity investor contributed an additional \$410 million and CEG contributed \$52 million, which were utilized, along with the \$103 million in escrow, to repay the cash equity bridge loan, to repay the tax equity bridge loan, to fund construction completion reserves and to pay associated fees. See Note 7, *Long-term Debt*, for further discussion of the non-recourse facility-level debt.

## Environmental Matters

The Company is subject to a wide range of environmental laws during the development, construction, ownership and operation of facilities. These existing and future laws generally require that governmental permits and approvals be obtained before construction and maintained during operation of facilities. The Company is obligated to comply with all environmental laws and regulations applicable within each jurisdiction and required to implement environmental programs and procedures to monitor and control risks associated with the construction, operation and decommissioning of regulated or permitted energy assets. Federal and state environmental laws have historically become more stringent over time, although this trend could change in the future.

The Company's environmental matters are further described in the Company's 2023 Form 10-K in Item 1, *Business — Environmental Matters* and Item 1A, *Risk Factors*.

**Regulatory Matters**

The following disclosures about the Company's regulatory matters provide an update to, and should be read in conjunction with, Item 1, *Business — Regulatory Matters* and Item 1A, *Risk Factors*, of the Company's 2023 Form 10-K.

On March 6, 2024, the SEC adopted a new set of rules that require a wide range of climate-related disclosures, including material climate-related risks, information on any climate-related targets or goals that are material to the registrant's business, results of operations or financial condition, Scope 1 and Scope 2 GHG emissions on a phased-in basis by certain larger registrants when those emissions are material and the filing of an attestation report covering the same, and disclosure of the financial statement effects of severe weather events and other natural conditions including costs and losses. Compliance dates under the final rule are phased in by registrant category. Multiple lawsuits have been filed challenging the SEC's new climate rules, which have been consolidated and will be heard in the U.S. Court of Appeals for the Eighth Circuit. On April 4, 2024, the SEC issued an order staying the final rules until judicial review is complete.



## Consolidated Results of Operations

The following table provides selected financial information:

(In millions)	Three months ended March 31,		
	2024	2023	Change
<b>Operating Revenues</b>			
Energy and capacity revenues	\$ 315	\$ 304	\$ 11
Other revenues	16	12	4
Contract amortization	(46)	(47)	1
Mark-to-market for economic hedges	(22)	19	(41)
Total operating revenues	263	288	(25)
<b>Operating Costs and Expenses</b>			
Cost of fuels	14	—	14
Operations and maintenance	83	83	—
Mark-to-market for economic hedges	2	—	2
Other costs of operations	27	25	2
Depreciation, amortization and accretion	154	128	26
General and administrative	11	10	1
Transaction and integration costs	1	—	1
Total operating costs and expenses	292	246	46
<b>Operating (Loss) Income</b>	(29)	42	(71)
<b>Other Income (Expense)</b>			
Equity in earnings (losses) of unconsolidated affiliates	12	(3)	15
Other income, net	16	8	8
Loss on debt extinguishment	(1)	—	(1)
Derivative interest income (expense)	23	(21)	44
Other interest expense	(80)	(78)	(2)
Total other expense, net	(30)	(94)	64
<b>Net Loss</b>	(59)	(52)	(7)
Less: Net loss attributable to noncontrolling interests and redeemable noncontrolling interests	(33)	(30)	(3)
<b>Net Loss Attributable to Clearway Energy LLC</b>	\$ (26)	\$ (22)	\$ (4)

Business metrics:	Three months ended March 31,	
	2024	2023
Solar MWh generated/sold (in thousands) <sup>(a)</sup>	1,443	866
Wind MWh generated/sold (in thousands) <sup>(a)</sup>	2,519	2,744
Renewables MWh generated/sold (in thousands) <sup>(a)</sup>	3,962	3,610
Solar weighted-average capacity factor <sup>(b)</sup>	21.0 %	19.9 %
Wind weighted-average capacity factor <sup>(c)</sup>	31.0 %	33.6 %
Conventional MWh generated (in thousands)	175	89
Conventional equivalent availability factor	86.3 %	74.4 %

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

<sup>(b)</sup> Typical average capacity factors for solar facilities is 25%. The weighted-average capacity factors can vary based on seasonality and weather.

<sup>(c)</sup> Typical average capacity factors for wind facilities is 25-45%. The weighted-average capacity factors can vary based on seasonality and weather.

## Management's Discussion of the Results of Operations for the Three Months Ended March 31, 2024 and 2023

### Operating Revenues

Operating revenues decreased by \$25 million during the three months ended March 31, 2024, compared to the same period in 2023, due to a combination of the drivers summarized in the table below:

		(In millions)
<b>Conventional Segment</b>	Decrease primarily driven by lower prices for capacity revenue due to the expiration of PPAs and commencement of RA capacity revenue at the Walnut Creek, Marsh Landing and El Segundo facilities during 2023.	\$ (43)
	Increase primarily driven by higher energy revenue due to the commencement of merchant operations following the expiration of PPAs at the Walnut Creek and Marsh Landing facilities during the second quarter of 2023 and the El Segundo facility during the third quarter of 2023.	21
	Increase driven by lower availability at El Segundo facility in 2023 due to the timing of annual planned maintenance outages.	8
<b>Renewables Segment</b>	Increase for solar and BESS acquisitions driven by Daggett 2, Daggett 3 and Arica, which reached commercial operations in December 2023, July 2023 and March 2024, respectively, and the acquisition of Texas Solar Nova 1 in December 2023.	16
	Increase driven by higher wind production primarily at the Alta wind facilities.	13
<b>Contract amortization</b>	Decrease driven by the Walnut Creek PPA, which was fully amortized during the second quarter of 2023.	1
<b>Mark-to-market economic hedging activities</b>	Decrease driven by increases in forward power prices in the ERCOT and PJM markets.	(54)
	Increase due to heat rate call option contracts entered into by El Segundo, Marsh Landing and Walnut Creek during the fourth quarter of 2023.	13
		<u>\$ (25)</u>

### Cost of Fuels

Cost of fuels increased by \$14 million during the three months ended March 31, 2024, compared to the same period in 2023, primarily driven by fuel purchases and the related cost of emissions obligations as a result of the expiration of PPAs and the commencement of merchant operations at the Walnut Creek and Marsh Landing facilities in the second quarter of 2023 and the El Segundo facility in the third quarter of 2023.

### Depreciation, Amortization and Accretion

Depreciation, amortization and accretion increased \$26 million during the three months ended March 31, 2024, compared to the same period in 2023, due to a \$27 million increase in the Renewables segment primarily related to the Daggett 2 and Daggett 3 solar and BESS facilities, which reached commercial operations in December 2023 and July 2023, respectively, and the acquisition of the Texas Solar Nova 1 solar facility in December 2023, offset by a \$1 million decrease in the Conventional segment.

### Interest Expense

Interest expense decreased by \$42 million during the three months ended March 31, 2024, compared to the same period in 2023, primarily due to the following:

		(In millions)
Change in fair value of interest rate swaps due to changes in interest rates		\$ (44)
Increase in interest expense for the Renewables segment primarily due to the Daggett 2 and Daggett 3 solar and BESS acquisitions in February 2023 and August 2023, respectively, and the Texas Solar Nova 1 acquisition in December 2023		3
Other		(1)
		<u>\$ (42)</u>

*Net Loss Attributable to Noncontrolling Interests and Redeemable Noncontrolling Interests*

For the three months ended March 31, 2024, the Company had a net loss of \$33 million attributable to noncontrolling interests and redeemable noncontrolling interests comprised of the following:

	<u>(In millions)</u>
Losses attributable to tax equity financing arrangements and the application of the HLBV method	\$ (42)
Income attributable to third-party partnerships	9
	<u>\$ (33)</u>

For the three months ended March 31, 2023, the Company had a net loss of \$30 million attributable to noncontrolling interests and redeemable noncontrolling interests comprised of the following:

	<u>(In millions)</u>
Losses attributable to tax equity financing arrangements and the application of the HLBV method	\$ (33)
Income attributable to third-party partnerships	3
	<u>\$ (30)</u>

## 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 distributions. 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.

### Current Liquidity Position

As of March 31, 2024 and December 31, 2023, the Company's liquidity was approximately \$1.44 billion and \$1.51 billion, respectively, comprised of cash, restricted cash and availability under the Company's revolving credit facility.

<u>(In millions)</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
<b>Cash and cash equivalents:</b>		
Clearway Energy LLC, excluding subsidiaries	\$ 337	\$ 410
Subsidiaries	141	125
<b>Restricted cash:</b>		
Operating accounts	173	176
Reserves, including debt service, distributions, performance obligations and other reserves	312	340
<b>Total cash, cash equivalents and restricted cash</b>	<b>963</b>	<b>1,051</b>
Revolving credit facility availability	472	454
<b>Total liquidity</b>	<b>\$ 1,435</b>	<b>\$ 1,505</b>

The Company's liquidity includes \$485 million and \$516 million of restricted cash balances as of March 31, 2024 and December 31, 2023, respectively. Restricted cash consists primarily of funds to satisfy the requirements of certain debt arrangements and funds held within the Company's facilities that are restricted in their use. As of March 31, 2024, these restricted funds were comprised of \$173 million designated to fund operating expenses, approximately \$187 million designated for current debt service payments and \$87 million restricted for reserves including debt service, performance obligations and other reserves, as well as capital expenditures. The remaining \$38 million is held in distribution reserve accounts.

#### *Clearway Energy LLC and Clearway Energy Operating LLC Revolving Credit Facility*

As of March 31, 2024, the Company had no outstanding borrowings under the revolving credit facility and \$228 million in letters of credit outstanding. The facility will continue to be used for general corporate purposes including financing of future acquisitions and posting letters of credit.

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 distributions to Clearway, Inc. and CEG. 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. As of March 31, 2024, the Company's 2028 Senior Notes, 2031 Senior Notes and 2032 Senior Notes were rated BB by S&P and Ba2 by Moody's.

### **Sources of Liquidity**

The Company's principal sources of liquidity include cash on hand, cash generated from operations, proceeds from sales of assets, borrowings under new and existing financing arrangements and the issuance of additional equity and debt securities by Clearway, Inc. or the Company as appropriate given market conditions. As described in Note 7, *Long-term Debt*, to this Form 10-Q and Item 15 — Note 10, *Long-term Debt*, to the consolidated financial statements included in the Company's 2023 Form 10-K, the Company's financing arrangements consist of corporate level debt, which includes Senior Notes, intercompany borrowings with Clearway, Inc. and the revolving credit facility; the ATM Program; and facility-level financings for its various assets.

### **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 Note 7, *Long-term Debt*; (ii) capital expenditures; (iii) off-balance sheet arrangements; (iv) acquisitions and investments, as described more fully in Note 3, *Acquisitions*; and (v) distributions.

#### **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 during routine maintenance, and growth capital expenditures consisting of costs to construct new assets and costs to complete the construction of assets where construction is in process.

For the three months ended March 31, 2024, the Company used approximately \$98 million to fund capital expenditures, including growth expenditures of \$96 million in the Renewables segment, funded through construction-related financing. Renewables segment capital expenditures included \$56 million incurred in connection with the Victory Pass and Arica solar and BESS facilities, \$14 million incurred in connection with the Daggett 2 solar and BESS facility, \$8 million incurred in connection with the Rosamond Central BESS addition, \$8 million incurred in connection with the Daggett 3 solar and BESS facility, \$7 million incurred in connection with the Texas Solar Nova 1 solar facility and \$3 million incurred by other wind and solar facilities. In addition, the Company incurred \$2 million in maintenance capital expenditures. The Company estimates \$40 million of maintenance expenditures for 2024. These estimates are subject to continuing review and adjustment. Actual capital expenditures may vary from these estimates.

#### **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 March 31, 2024, the Company has several investments with an ownership interest percentage of 50% or less. GenConn and Rosie Central BESS are VIEs 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 \$299 million as of March 31, 2024. 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 2023 Form 10-K.

##### ***Acquisitions and Investments***

The Company intends to acquire generation assets developed and constructed by CEG, as well as generation 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 business.

**Victory Pass and Arica Drop Down** — On May 1, 2024, when the Victory Pass and Arica solar and BESS facilities reached substantial completion, the Company paid \$165 million to Clearway Renew as an additional purchase price, in connection with the Company’s acquisition of the Class A membership interests in VP-Arica TargetCo LLC on October 31, 2023, which was funded with existing sources of liquidity. During the three months ended March 31, 2024, the Company borrowed an additional \$62 million in tax equity bridge loans. Also on May 1, 2024, the cash equity investor contributed an additional \$347 million, the tax equity investor contributed an additional \$410 million and CEG contributed \$52 million, which were utilized, along with the \$103 million in escrow, to repay the cash equity bridge loan, to repay the tax equity bridge loan, to fund construction completion reserves and to pay associated fees.

**Cedar Creek Drop Down** — On April 16, 2024, the Company, through its indirect subsidiary, Cedar Creek Wind Holdco LLC, acquired Cedar Creek Holdco LLC, a 160 MW wind facility that is located in Bingham County, Idaho, from Clearway Renew for cash consideration of \$117 million. Cedar Creek Wind Holdco LLC consolidates as primary beneficiary, Cedar Creek TE Holdco LLC, a tax equity fund that owns the Cedar Creek wind facility. Also on April 16, 2024, a tax equity investor contributed \$108 million to acquire the Class A membership interests in Cedar Creek TE Holdco LLC. Cedar Creek has a 25-year PPA with an investment-grade utility that commenced in March 2024. The acquisition was funded with existing sources of liquidity.

**Texas Solar Nova 2 Drop Down** — On March 15, 2024, the Company, through its indirect subsidiary, TSN1 TE Holdco LLC, acquired Texas Solar Nova 2, LLC, a 200 MW solar facility that is located in Kent County, Texas, from Clearway Renew for cash consideration of \$112 million, \$17 million of which was funded by the Company with the remaining \$95 million funded through a contribution from the cash equity investor in Lighthouse Renewable Holdco 2 LLC, which is a partnership. Lighthouse Renewable Holdco 2 LLC indirectly consolidates as primary beneficiary, TSN1 TE Holdco LLC, a tax equity fund that owns the Texas Solar Nova 1 and Texas Solar Nova 2 solar facilities. Texas Solar Nova 2 has an 18-year PPA with an investment-grade counterparty that commenced in March 2024. The Company’s portion of the purchase price was funded with existing sources of liquidity. Additionally, the Company assumed the facility’s financing agreement, which included a tax equity bridge loan that was repaid at acquisition date and a term loan.

**Cash Distributions to Clearway, Inc. and CEG**

The Company 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. Distributions on the Company’s units 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 distributions will continue to be paid in the foreseeable future.

The following table lists the distributions paid on the Company’s Class A, B, C and D units during the three months ended March 31, 2024:

	<b>First Quarter 2024</b>	
Distributions per Class A, B, C and D unit	\$	0.4033

On May 9, 2024, the Company declared a distribution on its Class A, Class B, Class C and Class D units of \$0.4102 per unit payable on June 17, 2024 to unit holders of record as of June 3, 2024.

## Cash Flow Discussion

The following tables reflect the changes in cash flows for the comparative periods:

	Three months ended March 31,		Change
	2024	2023	
	(In millions)		
Net cash provided by operating activities	\$ 81	\$ 75	\$ 6
Net cash used in investing activities	(203)	(86)	(117)
Net cash provided by financing activities	34	28	6

### Net Cash Provided by Operating Activities

Changes to net cash provided by operating activities were driven by:	(In millions)
Increase in operating income after adjusting for non-cash items	\$ 4
Increase in distributions from unconsolidated affiliates	3
Decrease in working capital primarily driven by the timing of accounts receivable collections and payments of accounts payable	(1)
	<u>\$ 6</u>

### Net Cash Used in Investing Activities

Changes to net cash used in investing activities were driven by:	(In millions)
Increase in cash paid for Drop Down Assets, net of cash acquired	\$ (104)
Increase in capital expenditures	(10)
Decrease in the return of investment from unconsolidated affiliates	(5)
Other	2
	<u>\$ (117)</u>

### Net Cash Provided by Financing Activities

Changes in net cash provided by financing activities were driven by:	(In millions)
Decrease in payments for long-term debt and an increase in proceeds from issuance of long-term debt	\$ 70
Payment of debt issuance costs in 2023	7
Decrease in contributions from noncontrolling interests and CEG, net of distributions	(66)
Increase in distributions paid to unit holders	(5)
	<u>\$ 6</u>

## Fair Value of Derivative Instruments

The Company may enter into energy-related commodity contracts to mitigate variability in earnings due to fluctuations in spot market prices. 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 March 31, 2024, based on their level within the fair value hierarchy defined in ASC 820; and indicate the maturities of contracts at March 31, 2024. For a full discussion of the Company's valuation methodology of its contracts, see *Derivative Fair Value Measurements* in Note 5, *Fair Value of Financial Instruments*.

Derivative Activity (Losses) Gains	(In millions)
Fair value of contracts as of December 31, 2023	\$ (209)
Changes in fair value	13
Fair value of contracts as of March 31, 2024	<u>\$ (196)</u>

Fair value of contracts as of March 31, 2024

Fair Value Hierarchy (Losses) Gains	Maturity				Total Fair Value
	1 Year or Less	Greater Than 1 Year to 3 Years	Greater Than 3 Years to 5 Years	Greater Than 5 Years	
	(In millions)				
Level 2	\$ 46	\$ 41	\$ 61	\$ 9	\$ 157
Level 3	(44)	(112)	(95)	(102)	(353)
Total	\$ 2	\$ (71)	\$ (34)	\$ (93)	\$ (196)

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.

**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 facilities, 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. 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, accounting utilizing HLBV, acquisition accounting and determining the fair value of financial instruments.

**Recent Accounting Developments**

See 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 2023 Form 10-K.

#### **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 certain 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. 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 MWh increase or decrease in power prices across the term of the long-term power commodity contracts would cause a change of approximately \$6 million to the net value of the related derivatives as of March 31, 2024.

#### **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 Note 6, *Derivative Instruments and Hedging Activities*, for more information.

Most of the Company's subsidiaries enter into interest rate swaps intended to hedge the risks associated with interest rates on non-recourse facility-level debt. See Item 15 — Note 10, *Long-term Debt*, to the Company's audited consolidated financial statements for the year ended December 31, 2023 included in the 2023 Form 10-K for more information about interest rate swaps of the Company's subsidiaries.

If all of the interest rate swaps had been discontinued on March 31, 2024, the counterparties would have owed the Company \$163 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 March 31, 2024, a change of 1%, or 100 basis points, in interest rates would result in an approximately \$5 million change in market interest expense on a rolling twelve-month basis.

As of March 31, 2024, the fair value of the Company's debt was \$7.63 billion and the carrying value was \$8.20 billion. The Company estimates that a decrease of 1%, or 100 basis points, in market interest rates would have increased the fair value of its long-term debt by approximately \$322 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.

#### **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 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*

There were no 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 March 31, 2024 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**

None.

**ITEM 1A — RISK FACTORS**

Information regarding risk factors appears in Part I, Item 1A, *Risk Factors*, in the Company's 2023 Form 10-K. There have been no material changes in the Company's risk factors since those reported in its 2023 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**

During the three months ended March 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**ITEM 6 — EXHIBITS**

<b>Number</b>	<b>Description</b>	<b>Method of Filing</b>
10.1	<a href="#">Amended and Restated Master Services Agreement, dated as of April 30, 2024, by and among Clearway Energy Group LLC, Clearway Energy, Inc., Clearway Energy LLC and Clearway Energy Operating LLC</a>	Filed herewith.
31.1	<a href="#">Rule 13a-14(a)/15d-14(a) certification of Christopher S. Sotos.</a>	Filed herewith.
31.2	<a href="#">Rule 13a-14(a)/15d-14(a) certification of Sarah Rubenstein.</a>	Filed herewith.
32	<a href="#">Section 1350 Certification.</a>	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.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) 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 LLC  
(Registrant)

/s/ CHRISTOPHER S. SOTOS

Christopher S. Sotos  
*President and Chief Executive Officer*  
*(Principal Executive Officer)*

/s/ SARAH RUBENSTEIN

Sarah Rubenstein  
*Executive Vice President and Chief Financial Officer*  
*(Principal Financial Officer and Principal Accounting Officer)*

Date: May 9, 2024

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**SECOND AMENDED AND RESTATED**

**MASTER SERVICES AGREEMENT**

**by and among**

**CLEARWAY ENERGY, INC.,**

**CLEARWAY ENERGY LLC,**

**CLEARWAY ENERGY OPERATING LLC**

**and**

**CLEARWAY ENERGY GROUP LLC**

**as Manager**

**Dated as of April 30, 2024**

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## TABLE OF CONTENTS

<b>ARTICLE 1 INTERPRETATION.....</b>	<b>1</b>
1.1 Definitions.....	1
1.2 Headings and Table of Contents.....	6
1.3 Interpretation.....	6
1.4 Service Recipients Third Party Beneficiaries .....	7
1.5 Actions by the Manager or the Service Recipients.....	7
<b>ARTICLE 2 APPOINTMENT OF THE MANAGER.....</b>	<b>7</b>
2.1 Appointment and Acceptance .....	7
2.2 Other Service Recipients.....	8
2.3 Subcontracting and Other Arrangements.....	8
<b>ARTICLE 3 SERVICES AND POWERS OF THE MANAGER .....</b>	<b>8</b>
3.1 Services.....	8
3.2 Supervision of Manager’s Activities .....	9
3.3 Restrictions on the Manager .....	9
3.4 Errors and Omissions Insurance .....	9
<b>ARTICLE 4 RELATIONSHIP BETWEEN THE MANAGER AND THE SERVICE     RECIPIENTS.....</b>	<b>9</b>
4.1 Other Activities.....	9
4.2 Independent Contractor, No Partnership or Joint Venture.....	10
<b>ARTICLE 5 MANAGEMENT AND EMPLOYEES .....</b>	<b>10</b>
5.1 Management and Employees .....	10
<b>ARTICLE 6 INFORMATION AND RECORDS .....</b>	<b>10</b>
6.1 Books and Records .....	10
6.2 Examination of Records by the Service Recipients.....	11
6.3 Access to Information by Manager Group.....	11
6.4 Additional Information .....	11
6.5 Confidential Information .....	12
<b>ARTICLE 7 FEES AND EXPENSES.....</b>	<b>12</b>
7.1 Annual Fee .....	12
7.2 Computation and Payment of Quarterly Annual Fee.....	13
7.3 Governmental Charges.....	14
7.4 Computation and Payment of Governmental Charges.....	14
<b>ARTICLE 8 REPRESENTATIONS AND WARRANTIES OF THE MANAGER     AND THE SERVICE RECIPIENTS .....</b>	<b>15</b>
8.1 Representations and Warranties of the Manager .....	15
8.2 Representations and Warranties of the Service Recipients.....	15

<b>ARTICLE 9 LIABILITY AND INDEMNIFICATION .....</b>	<b>16</b>
9.1 Indemnity .....	16
9.2 Limitation of Liability.....	17
9.3 Benefit to all Manager Indemnified Parties .....	18
<b>ARTICLE 10 TERM AND TERMINATION .....</b>	<b>18</b>
10.1 Term.....	18
10.2 Termination by the Service Recipients .....	18
10.3 Termination by the Manager.....	19
10.4 Survival Upon Termination .....	20
10.5 Action Upon Termination .....	20
10.6 Release of Money or other Property Upon Written Request .....	20
<b>ARTICLE 11 ARBITRATION.....</b>	<b>21</b>
11.1 Dispute .....	21
11.2 Arbitration.....	21
11.3 Continued Performance .....	22
11.4 Urgent Relief.....	22
<b>ARTICLE 12 GENERAL PROVISIONS.....</b>	<b>22</b>
12.1 Amendment, Waiver .....	22
12.2 Assignment .....	23
12.3 Failure to Pay When Due.....	24
12.4 Invalidity of Provisions.....	24
12.5 Entire Agreement .....	24
12.6 Mutual Waiver of Jury Trial .....	24
12.7 Consent to Jurisdiction.....	25
12.8 Governing Law .....	25
12.9 Enurement.....	25
12.10 Notices .....	25
12.11 Further Assurances.....	26
12.12 Counterparts .....	26

Appendices

Appendix A     Services



## SECOND AMENDED AND RESTATED MASTER SERVICES AGREEMENT

This **SECONDA MENDED AND RESTATED MASTER SERVICES AGREEMENT** is made as of April 30, 2024, and will be effective as of January 1, 2025 (the “**Effective Date**”), by and among Clearway Energy, Inc., a Delaware corporation (“**CWEN**”), Clearway Energy LLC, a Delaware limited liability company (“**CE LLC**”), Clearway Energy Operating LLC, a Delaware limited liability company (“**CE Op**”), and Clearway Energy Group LLC, a Delaware limited liability company (the “**Manager**”). Each of CWEN, CE LLC, CE Op and the Manager is referred to herein as a “**Party**”, and together as the “**Parties**”.

### RECITALS

- A. CWEN, CE LLC and CE Op directly and indirectly, as applicable, hold interests in the Service Recipients (as defined below).
- B. The Service Recipients have effected a reorganization pursuant to which all of the employees and operations of the Service Recipients will transfer to Manager.
- B. CWEN, CE LLC and CE Op wish to engage the Manager to provide, or arrange for other Service Providers (as defined below) to provide, the services set forth in this Agreement to the Service Recipients, subject to the terms and conditions of this Agreement, and the Manager wishes to accept such engagement.
- C. The Parties entered into an Amended and Restated Master Services Agreement dated as of February 2, 2023, and wish to amend and restate such Amended and Restated Master Services Agreement, as set forth herein.

**NOW THEREFORE** in consideration of the mutual representations, warranties, covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows, as of the Effective Date:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement, except where the context otherwise requires, the following terms will have the following meanings:

“**AAA**” has the meaning assigned thereto in Section 11.2.1.

“**Acquired Assets**” means any renewable and conventional generation and thermal infrastructure asset acquired after the date hereof by any member of the YieldCo Group.

“**Affiliate**” means with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls or is Controlled by, or is in common Control with, such Person.

“**Agreement**” means this Second Amended and Restated Master Services Agreement, and “herein,” “hereof,” “hereby,” “hereunder” and similar expressions refer to this Agreement and include every instrument supplemental or ancillary to this Agreement and, except where the context otherwise requires, not to any particular article or section thereof.

“**Annual Fee**” means (i) for calendar year 2025, \$22,600,000 and (ii) for each calendar year thereafter beginning on January 1<sup>st</sup>, such amount adjusted as follows:

- a. The percentage increase or decrease in the Consumer Price Index over the immediately preceding twelve (12) months, as calculated using the Consumer Price Index, “All Urban Consumers; U.S. City Average,” as published by the Bureau of Labor Statistics on the last publication day of the immediately preceding calendar quarter (e.g., the 1Q 2026 adjustment will be based on the final CPI calculation for 4Q 2025);
- b. Increased by \$1,061/MW for every incremental Net Megawatt over 8,000MW owned by CWEN, or decreased by \$1,061/MW for every Net Megawatt below 8,000MW owned by CWEN. This pricing scaler shall also be increased or decreased by the same Consumer Price Index over the immediately preceding twelve (12) months beginning January 1, 2026. For the avoidance of doubt, \$1,061/MW reflects the pricing scaler that is effective on January 1, 2025;
- c. These increases / reductions to the baseline MSA will occur in the quarter following the closing of each transaction, and will be pro-rated on a quarterly basis (e.g., a drop down of 100MW will increase the fees by \$106,100 per year, \$26,525 per quarter beginning the quarter following the close);

“**Arbitration**” has the meaning assigned thereto in Section 11.2.1.

“**Arbitrators**” has the meaning assigned thereto in Section 11.2.4.

“**Business**” means the business carried on from time to time by the YieldCo Group.

“**Business Day**” means every day except a Saturday or Sunday, or a legal holiday in the City of New York on which banking institutions are authorized or required by law, regulation or executive order to close.

“**CE LLC**” has the meaning assigned thereto in the preamble.

“**CE Op**” has the meaning assigned thereto in the preamble.

“**Claims**” has the meaning assigned thereto in Section 9.1.1.

“**Conflicts Committee**” means the Corporate Governance, Conflicts and Nominating Committee of CWEN.

“**Control**” or “**control**” (including the terms “controlled by” and “under common control with”), with respect to the relationship between or among two or more Persons, means

the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Costs**” means direct costs and expenses of CWEN, including those incurred in respect of (a) the board of directors (and the committees thereof) of CWEN, including but not limited to compensation costs, travel and other expense reimbursements, D&O and similar insurance costs; (b) costs of the independent public accounting firm; (c) costs directly associated with filings made with the Securities Exchange Commissions, including printing and similar costs; (d) transfer agent fees; (e) New York Stock Exchange listing fees; (f) banking fees, including those associated with credit facilities and loan agreements; and (g) the costs of third party financial, legal and other advisors engaged by or at the direction of the Governing Bodies of CWEN.

“**CWEN**” has the meaning assigned thereto in the preamble.

“**Dispute**” has the meaning assigned thereto in Section 11.1.

“**Effective Date**” has the meaning assigned thereto in the preamble.

“**Expense Statement**” has the meaning assigned thereto in Section 7.4.

“**GAAP**” means generally accepted accounting principles in the United States used by CWEN in preparing its financial statements from time to time.

“**Governing Body**” means (i) with respect to a corporation, the board of directors of such corporation, (ii) with respect to a limited liability company, the manager(s) or managing member(s) of such limited liability company, (iii) with respect to a limited partnership, the board, committee or other body of the general partner of such partnership that serves a similar function or the general partner itself (or if any such general partner is itself a limited partnership, the board, committee or other body of such general partner’s general partner that serves a similar function or such general partner’s partner) and (iv) with respect to any other Person, the body of such Person that serves a similar function, and in the case of each of (i) through (iv) includes any committee or other subdivision of such body and any Person to whom such body has delegated any power or authority, including any officer and managing director.

“**Governing Instruments**” means (i) the certificate of incorporation and bylaws in the case of a corporation, (ii) the articles of formation and operating agreement in the case of a limited liability company (iii) the partnership agreement in the case of a partnership, and (iv) any other similar governing document under which an entity was organized, formed or created and/or operates.

“**Governmental Authority**” means any (i) international, national, multinational, federal, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency or instrumentality, domestic or foreign, including ISO/RTOs, (ii) self-regulatory organization or stock exchange, (iii) subdivision, agent, commission, board, or authority

of any of the foregoing, or (iv) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

“**Governmental Charges**” has the meaning assigned thereto in Section 7.3.

“**Indemnifying Party**” means a Person against whom a claim for indemnification is asserted pursuant to Article 9.

“**Interest Rate**” means, for any day, the rate of interest equal to the (a) Secured Overnight Financing Rate on such day, and if such rate is unavailable, (b) the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day by the Federal Reserve Bank of New York.

“**ISO/RTO**” means an independent electricity system operator, a regional transmission organization, national system operator or any other similar organization overseeing the transmission of energy in any jurisdiction in which the YieldCo Group owns assets or operates.

“**Laws**” means any and all applicable (i) laws, constitutions, treaties, statutes, codes, ordinances, principles of common law and equity, rules, regulations and municipal bylaws whether domestic, foreign or international, (ii) judicial, arbitral, administrative, ministerial, departmental and regulatory judgments, orders, writs, injunctions, decisions, and awards of any Governmental Authority, and (iii) policies, practices and guidelines of any Governmental Authority which, although not actually having the force of law, are considered by such Governmental Authority as requiring compliance as if having the force of law, and the term “**applicable**,” with respect to such Laws and in the context that refers to one or more Persons, means such Laws that apply to such Person or Persons or its or their business, undertaking, property or securities at the relevant time and that emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities.

“**Liabilities**” has the meaning assigned thereto in Section 9.1.1.

“**Manager**” has the meaning assigned thereto in the preamble.

“**Manager Group**” means the Manager and its direct and indirect Subsidiaries (other than any member of the YieldCo Group).

“**Manager Indemnified Parties**” has the meaning assigned thereto in Section 9.1.1.

“**Net Megawatt**” shall consist of the net MW ownership reported by CWEN, consistent with reporting in its publicly available SEC 10-K and 10-Q reports.

“**Office of the Chief Investment Officer**” means the individual serving in the role of Chief Investment Officer of CWEN, and the individuals reporting thereto, with responsibility for effectuating, on behalf of CWEN, the offers, diligence, negotiations and

dropdown transactions from Manager to CWEN, providing analysis and support of related party transactions that require consultation with or approval by the Conflicts Committee (as defined below) per such committee's charter and applicable laws, policies and procedures, who shall devote substantially all of their working time to performing such services, including any additional services as may be requested by the Conflicts Committee from time to time. The Office of the Chief Investment Officer shall maintain such staffing and competencies as to provide such services in substantially the same manner, including the scope, level and quality of services, as prior to the Effective Date of this Agreement.

**“Operating and Administrative Agreements”** means the operating and administrative agreements in effect as of the Effective Date between certain members of the YieldCo Group and Affiliates of the Manager for such YieldCo Group members' operating and administrative needs and, with respect to any Acquired Assets any operating and administrative agreements between any of the Acquired Assets and Affiliates of the Manager for such asset's operating and administrative needs in effect as of the date of acquisition of the Acquired Asset by a member of the YieldCo Group.

**“Operational and Other Services”** means any services provided by any member of the Manager Group to any member of the YieldCo Group, including financial advisory, operations and maintenance, marketing, agency, development, operating management and other services, including services provided under any Operating and Administrative Agreements.

**“Party”** has the meaning assigned thereto in the preamble.

**“Permit”** means any consent, license, approval, registration, permit or other authorization granted by any Governmental Authority.

**“Person”** means any natural person, partnership, limited partnership, limited liability partnership, joint venture, syndicate, sole proprietorship, company or corporation (with or without share capital), limited liability corporation, unlimited liability company, joint stock company, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or Governmental Authority, authority or entity however designated or constituted and pronouns have a similarly extended meaning.

**“Quarter”** means a calendar quarter ending on the last day of March, June, September or December.

**“Rules”** has the meaning assigned thereto in Section 11.2.1.

**“Service Providers”** means the Manager, any member of the Manager Group and any other entity or individual that the Manager has arranged to provide the Services to any Service Recipient.

**“Service Recipient”** means CWEN, CE LLC, CE Op and their Subsidiaries as of the Effective Date, as well as any other direct and indirect Subsidiary of CWEN, CE LLC,

CE Op, as applicable, acquired or formed after the date hereof that receives Services from a Service Provider pursuant to this Agreement.

“**Services**” has the meaning assigned thereto in Section 3.1.

“**Subsidiary**” means, with respect to any Person, (i) any other Person that is directly or indirectly Controlled by such Person, (ii) any trust in which such Person holds all of the beneficial interests or (iii) any partnership, limited liability company or similar entity in which such Person holds all of the interests other than the interests of any general partner, managing member or similar Person.

“**Third Party Claim**” has the meaning assigned thereto in Section 9.1.2.

“**Transaction Fees**” means fees paid or payable by the Service Recipients, which are on market terms, with respect to financial advisory services ordinarily carried out by investment banks in the context of mergers and acquisitions transactions.

“**YieldCo Group**” means CWEN, CE LLC, CE Op and their direct and indirect Subsidiaries.

## **1.2 Headings and Table of Contents**

The inclusion of headings and a table of contents in this Agreement are for convenience of reference only and will not affect the construction or interpretation hereof.

## **1.3 Interpretation**

In this Agreement, unless the context otherwise requires:

1.3.1 words importing the singular shall include the plural and vice versa, words importing gender shall include all genders or the neuter, and words importing the neuter shall include all genders;

1.3.2 the words “include”, “includes”, “including”, or any variations thereof, when following any general term or statement, are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;

1.3.3 references to any Person include such Person’s successors and permitted assigns;

1.3.4 any reference to a statute, regulation, policy, rule or instrument shall include, and shall be deemed to be a reference also to, all amendments made to such statute, regulation, policy, rule or instrument and to any statute, regulation, policy, rule or instrument that may be passed which has the effect of supplementing or superseding the statute, regulation, policy, rule or instrument so referred to;

1.3.5 any reference to this Agreement or any other agreement, document or instrument shall be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;

1.3.6 where a reference in this Agreement is made to a Section or Schedule, such reference shall be to a Section or Schedule to this Agreement unless otherwise indicated;

1.3.7 in the event that any day on which any amount is to be determined or any action is required to be taken hereunder is not a Business Day, then such amount shall be determined or such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day; and

1.3.8 except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in U.S. currency.

#### **1.4 Service Recipients Third Party Beneficiaries**

The Manager agrees that each of the Service Recipients, including any Service Recipient formed or acquired after the Effective Date in accordance with Section 2.2, shall be, and is hereby, named as an express third-party beneficiary of this Agreement entitled to all the benefits conferred under this Agreement.

#### **1.5 Actions by the Manager or the Service Recipients**

Unless the context makes evident or requires otherwise, where the consent of or a determination is required by the Manager or Service Recipient hereunder, the Parties shall be entitled to conclusively rely upon it having been given or taken, as applicable, if, the Manager or such Service Recipient, as applicable, has communicated the same in writing.

## **ARTICLE 2 APPOINTMENT OF THE MANAGER**

### **2.1 Appointment and Acceptance**

2.1.1 Subject to and in accordance with the terms, conditions and limitations in this Agreement, CWEN, CE LLC and CE Op hereby appoint the Manager to provide or arrange for other Service Providers to provide the Services to the Service Recipients.

2.1.2 The Manager hereby accepts the appointment provided for in Section 2.1.1 and agrees to act in such capacity and to provide or arrange for other Service Providers to provide the Services to the Service Recipients upon the terms, conditions and limitations in this Agreement.

## **2.2 Other Service Recipients**

The Parties acknowledge that any Subsidiary of CWEN, CE LLC or CE Op formed or acquired in the future that is not a Service Recipient on the date hereof may become a Service Recipient under this Agreement. In the event that any such addition results in an amendment of the scope of the Services, such amendment shall be effectuated as provided by Section 12.1.1.

## **2.3 Subcontracting and Other Arrangements**

The Manager may subcontract to any other member of the Manager Group or any of its Affiliates, or arrange for the provision of any or all of the Services to be provided by it under this Agreement by any other member of the Manager Group or any of its Affiliates, and each of CWEN, CE LLC and CE Op hereby consents to any such subcontracting or arrangement; *provided* that the Manager shall remain responsible to the Service Recipients for any Services provided by such Person. Any such subcontracting will be subject to the terms of this Agreement and covered by the fees payable under this Agreement.

# **ARTICLE 3 SERVICES AND POWERS OF THE MANAGER**

## **3.1 Services**

3.1.1 The Manager will provide, or arrange for the provision by other Service Providers of, and will have the power and authority (subject to the power and authority of the Governing Bodies of the Service Providers) to provide or arrange for the provision by other Service Providers of, all operational and general and administrative services of the YieldCo Group, including but not limited to those services set forth on Appendix A, as such Appendix A may be updated from time to time in accordance with this Agreement (the “**Services**”), to the Service Recipients; *provided* that the Manager shall remain responsible to the Service Recipients for any Services provided by any such Person and *provided further* that the Services shall not include services provided by third parties engaged by or at the direction of the Governing Bodies of CWEN. The Manager shall maintain such staffing and competencies as necessary to provide the Services in substantially the same manner, including the scope, level and quality of services, as enjoyed by the Service Recipients prior to the Effective Date of this Agreement.

3.1.2 Notwithstanding the employment by the Manager of the Office of the Chief Information Officer, the Services shall not include the services provided by the Office of the Chief Investment Officer; *provided* that the Manager agrees that it shall not take any actions with respect to the Office of the Chief Investment Officer to reduce the staffing and competencies as necessary for the Officer of the Chief Investment Officer to perform its services in substantially the same manner, including the scope, level and quality of services, as enjoyed by CWEN prior to the effective date of this Agreement. For the avoidance of doubt, the costs of the Office of the Chief Investment Officer shall not be included in the Annual Fee, but will be administered by the Manager and reimbursed by CWEN in accordance with Section 7.5.



### **3.2 Supervision of Manager's Activities**

The Manager shall, at all times, be subject to the supervision of the relevant Service Recipient's Governing Body and shall only provide or arrange for the provision of such Services as such Governing Body may request from time to time and in accordance with the policies and procedures of such Service Recipient.

### **3.3 Restrictions on the Manager**

3.3.1 The Manager shall, and shall cause any other Service Provider to, refrain from taking any action that is not in compliance with or would violate any Laws or that otherwise would not be permitted by the Governing Instruments of the Service Recipients. If the Manager or any Service Provider is instructed to take any action that is not in such compliance by a Service Recipient's Governing Body, such person will promptly notify such Governing Body of its judgment that such action would not comply with or violate any such Laws or otherwise would not be permitted by such Governing Instrument.

3.3.2 In performing its duties under this Agreement, each member of the Manager Group shall be entitled to rely in good faith on qualified experts, professionals and other agents (including on accountants, appraisers, consultants, legal counsel and other professional advisors) and shall be permitted to rely in good faith upon the direction of a Service Recipient's Governing Body to evidence any approvals or authorizations that are required under this Agreement. All references in this Agreement to the Service Recipients or Governing Body for the purposes of instructions, approvals and requests to the Manager will refer to the Governing Body.

### **3.4 Errors and Omissions Insurance**

The Manager shall, and shall cause any other Service Provider to, at all times during the term of this Agreement maintain "errors and omissions" insurance coverage and other insurance coverage which is customarily carried by Persons performing functions that are similar to those performed by the Service Providers under this Agreement with reputable insurance companies and in an amount which is comparable to that which is customarily maintained by such other Persons. In each case, the relevant Service Recipients shall be included as additional insureds or loss payees under the relevant policies.

## **ARTICLE 4 RELATIONSHIP BETWEEN THE MANAGER AND THE SERVICE RECIPIENTS**

### **4.1 Other Activities**

No member of the Manager Group (and no Affiliate, director, officer, member, partner, shareholder or employee of any member of the Manager Group) shall be prohibited from engaging in other business activities or sponsoring, or providing services to, third parties that compete directly or indirectly with the Service Recipients.

## **4.2 Independent Contractor, No Partnership or Joint Venture**

The Parties acknowledge that the Manager is providing or arranging for the provision of the Services hereunder as an independent contractor and that the Service Recipients and the Manager are not partners or joint venturers with or agents of each other, and nothing herein will be construed so as to make them partners, joint venturers or agents or impose any liability for that reason on any of them as a result of this Agreement; *provided, however*, that nothing herein will be construed so as to prohibit the Service Recipients and the Manager from embarking upon an investment together as partners, joint venturers or in any other manner whatsoever.

## **ARTICLE 5 MANAGEMENT AND EMPLOYEES**

### **5.1 Management and Employees**

5.1.1 The Manager shall arrange, or shall cause another member of the Manager Group to arrange, for such qualified personnel and support staff to be available to carry out the Services. Such personnel and support staff shall devote such of their time to the provision of the Services to the Service Recipients as the relevant member of the Manager Group reasonably deems necessary and appropriate in order to fulfill its obligations hereunder.

5.1.2 Each of CWEN, CE LLC and CE Op shall, and shall cause each of the other Service Recipients to, do all things reasonably necessary on its part as requested by any member of the Manager Group consistent with the terms of this Agreement to enable such member of the Manager Group to fulfill its obligations, covenants and responsibilities hereunder, including making available to such member of the Manager Group, and granting such member of the Manager Group access to, the employees and contractors of the Service Recipients as any member of the Manager Group may from time to time reasonably request.

5.1.3 The Manager agrees, and agrees to cause the Manager Group, to exercise the power and discharge the duties conferred under this Agreement honestly and in good faith, and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Manager shall be responsible for any member of the Manager Group's failure to exercise such power and duties in accordance with the standards set forth in this Section 5.1.3.

## **ARTICLE 6 INFORMATION AND RECORDS**

### **6.1 Books and Records**

The Manager shall, or shall cause any other member of the Manager Group to, as applicable, maintain proper books, records and documents on behalf of each Service Recipient, in which complete, true and correct entries, in conformity in all material respects with GAAP and all requirements of applicable Laws, will be made.

## **6.2 Examination of Records by the Service Recipients**

Upon reasonable prior notice by the Service Recipients to the relevant member of the Manager Group, the relevant member of the Manager Group will make available to the Service Recipients and their authorized representatives, for examination during normal business hours on any Business Day, all books, records and documents required to be maintained under Section 6.1. In addition, the applicable member of the Manager Group will make available to the Service Recipients or their authorized representatives such financial and operating data in respect of the performance of the Services under this Agreement as may be in existence and as the Service Recipients or their authorized representatives will from time to time reasonably request, including for the purposes of conducting any audit in respect of expenses of the Service Recipients or other matters necessary or advisable to be audited in order to conduct an audit of the financial affairs of the Service Recipients. Any examination of records will be conducted in a manner which will not unduly interfere with the conduct of the business of any member of the Manager Group in the ordinary course.

## **6.3 Access to Information by Manager Group**

6.3.1 Each of CWEN, CE LLC and CE Op shall, and shall cause the other Service Recipients to:

6.3.1.1 grant, or cause to be granted, to the Manager Group full access to all documentation and information reasonably necessary in order for the Manager Group to perform its obligations, covenants and responsibilities pursuant to the terms hereof and to enable the Manager Group to provide the Services; and

6.3.1.2 provide, or cause to be provided, all documentation and information as may be reasonably requested by any member of the Manager Group, and promptly notify the appropriate member of the Manager Group of any material facts or information of which the Service Recipients are aware, including any known, pending or threatened suits, actions, claims, proceedings or orders by or against any member of the YieldCo Group before any Governmental Authority, that may affect the performance of the obligations, covenants or responsibilities of the Manager Group pursuant to this Agreement, including maintenance of proper financial records.

## **6.4 Additional Information**

The Parties acknowledge and agree that conducting the activities and providing the Services contemplated herein may have the incidental effect of providing additional information which may be utilized with respect to, or may augment the value of, business interests and related assets in which any of the Manager Group has an interest and that, subject to compliance with this Agreement, none of the Manager Group will be liable to account to the Service Recipients with respect to such activities or results; *provided, however*, that the relevant entity of the Manager Group will not (and will cause its Affiliates not to), in making any use of such additional information, do so in any manner that the relevant entity or its Affiliates knows, or

ought reasonably to know, would cause or result in a breach of any confidentiality provision of agreements to which any Service Recipient is a party or is bound.

## **6.5 Confidential Information**

Manager agrees that the information the Manager Group has or obtains concerning the Service Recipients and their respective assets, business, operations or prospects (the “Confidential Information”) constitutes the confidential information of the respective Service Recipient, and that Manager shall not, and shall cause the other members of the Manager Group not to, without the prior written consent of CWEN, publicly disclose any Confidential Information; provided, however, that Confidential Information shall not include information that (a) becomes generally available to the public other than as a result of a disclosure by a member of the Manager Group or any of its directors, officers, agents, or other representatives, (b) becomes available to a member of the Manager Group or any of its directors, officers, agents, or other representatives on a nonconfidential basis prior to its disclosure by the Service Recipients or their respective Affiliates, or their respective directors, officers, agents, or other representatives (and is not received in any other capacity of the members of the Manager Group) or (c) is required or requested to be disclosed by a member of the Manager Group as a result of any applicable legal or regulatory requirement or rule or regulation of any stock exchange, or other regulatory authority having jurisdiction over such member of the Manager Group. Notwithstanding the foregoing, the members of the Manager Group may disclose Confidential Information received by them to their employees, consultants, legal counsel, or other agents involved in providing the Services in accordance with the terms of this Agreement; provided, that Manager informs each such Person who has access to the Confidential Information of the confidential nature of such Confidential Information, the terms of this Agreement, and that such terms apply to them. If any member of the Manager Group is required to disclose information pursuant to clause (c) above, such member of the Manager Group will provide CWEN with prompt written notice so that CWEN may seek a protective order or other appropriate remedy or waive compliance with the non-disclosure provisions of this Section 6.5 with respect to the information required to be disclosed. If such protective order or other remedy is not obtained, Manager will furnish only that portion of such information that counsel advises is legally required to be furnished and will exercise reasonable efforts, at CWEN’s expense, to obtain reliable assurance that confidential treatment will be accorded such information. Notwithstanding anything contained in this Agreement to the contrary, the obligations of Manager set forth in this Section 6.5 shall survive any termination of this Agreement for a period of 12 months after such termination.

## **ARTICLE 7 FEES AND EXPENSES**

### **7.1 Annual Fee**

7.1.1 As consideration for the Manager Group’s provision of the Services, CE LLC, on behalf of the Service Recipients, hereby agrees to pay, during the term of this Agreement, the Annual Fee to reflect the costs incurred by the Manager Group in providing such Services (other than those costs which are excluded from the Annual Fee pursuant to Section 7.5). The Annual Fee shall be pro-rated and paid quarterly in arrears.

7.1.2 The Annual Fee will not be reduced by the amount of (i) any fees for Operational and Other Services that are paid or payable by any member of the YieldCo Group to any member of the Manager Group under a separate agreement or (ii) any Transaction Fees.

7.1.3 The Parties shall renegotiate the Annual Fee upon any of the following events (each, a “Transformational Event”):

7.1.3.1 If CWEN or the Manager enters or exits a material business segment (e.g., solar, wind, conventional) that would have a material impact on either party on providing those services;

7.1.3.2 If CWEN or the Manager enters into a transformative transaction, as defined by a platform acquisition or an aggregate change in over 20% of the net MW of CWEN that would have a material impact on either party on providing those services;

7.1.3.3 If there are additional material modifications such as regulatory changes or pressures on public company auditing or reporting requiring CWEN or the Manager to change the Services listed in Appendix A;

7.1.3.4 If there are additional requests from sponsors requiring CWEN or the Manager to change the Services listed in Appendix A (e.g., changes in IFRS requirements); or

7.1.3.5 If there are reductions to headcount in any individual group or department that is responsible for providing any of the categories of the Services listed in such Appendix A (by termination of employment, reallocation of personnel or otherwise) that equal or exceed 20% of the employees in such group or department as of the Effective Date of this Agreement, excluding temporary headcount reductions as a result of voluntary departures. For the avoidance of doubt, the 20% threshold shall be calculated on a cumulative basis such that any reductions falling below such threshold shall be aggregated with any later reductions. Headcount data, specifying each such group or department, the number of individuals in such group or department, and their area of responsibility, shall be provided by the Manager to the Conflicts Committee on no less than an annual basis.

In the case of a Transformational Event, the Parties shall renegotiate in good faith and on commercially reasonable terms over a period of 60 days taking into account: i) market prices to provide such Services; and ii) facts and circumstances related to the new state of the business, changes to the Services listed in Appendix A or such headcount reductions.

## **7.2 Computation and Payment of Quarterly Annual Fee**

7.2.1 Following the end of each Quarter, Manager shall prepare and deliver to CE LLC the accrued quarterly installment of the Annual Fee for such Quarter. CE LLC will pay the quarterly installment of the Annual Fee for each Quarter as soon as practicable

following the end of the Quarter with respect to which such payment is due, but in any event no later than 30 days following the end of such Quarter.

### **7.3 Governmental Charges**

CE LLC, on behalf of the Service Recipients, shall pay or reimburse the relevant member of the Manager Group for all sales taxes, use taxes, value added taxes, withholding taxes or other similar taxes, customs duties or other governmental charges (“**Governmental Charges**”) that are levied or imposed by any Governmental Authority on such member of the Manager Group on behalf of CWEN by reason of the provision of the Services by such member of the Manager Group in connection with this Agreement or any other agreement contemplated by this Agreement, or the fees or other amounts payable in connection therewith, except for any income taxes, corporation taxes, capital taxes or other similar taxes payable by any member of the Manager Group which are personal to such member of the Manager Group. Any failure by any member of the Manager Group to collect monies on account of these Governmental Charges shall not constitute a waiver of the right to do so.

### **7.4 Computation and Payment of Governmental Charges**

From time to time the Manager shall, or shall cause the other Service Providers to, prepare statements (each an “**Expense Statement**”) documenting the Governmental Charges to be reimbursed pursuant to this Article 7 and shall deliver such statements to the relevant Service Recipient. All Governmental Charges reimbursable pursuant to this Article 7 shall be reimbursed by CE LLC, on behalf of the Service Recipients, no later than the date which is 30 days after receipt of an Expense Statement. The provisions of this Section 7.4 shall survive the termination of this Agreement.

### **7.5 Exclusions from the Annual Fee**

The Annual Fee does not cover:

7.5.1 CWEN Costs, which will be paid by or charged directly to CWEN;

7.5.2 The salaries and related costs (including employment taxes) and the cost (including employment taxes and similar expenses) of employee benefits relating to the individuals performing the responsibilities of the Office of the Chief Investment Officer, on behalf of CWEN, which costs will be charged directly to CWEN; and

7.5.3 Costs for large platform infrastructure upgrades that require over \$1,000,000 in capitalized labor / non-labor (e.g., ETRM implementation or ERP upgrade), the allocation of which will be agreed upon by the Governing Bodies of CWEN and CEG.

**ARTICLE 8  
REPRESENTATIONS AND WARRANTIES  
OF THE MANAGER AND THE SERVICE RECIPIENTS**

**8.1 Representations and Warranties of the Manager**

The Manager hereby represents and warrants to the Service Recipients that:

8.1.1 it is validly organized and existing under the laws of the State of Delaware;

8.1.2 it, or any another Service Provider, as applicable, holds, and shall hold, such Permits as are necessary to perform its obligations hereunder and is not aware of, or shall inform the Service Recipients promptly upon knowledge of, any reason why such Permits might be cancelled;

8.1.3 it has the power, capacity and authority to enter into this Agreement and to perform its obligations hereunder;

8.1.4 it has taken all necessary action to authorize the execution, delivery and performance of this Agreement;

8.1.5 the execution and delivery of this Agreement by it and the performance by it of its obligations hereunder do not and will not contravene, breach or result in any default under its Governing Instruments, or under any mortgage, lease, agreement or other legally binding instrument, Permit or applicable Law to which it is a party or by which it or any of its properties or assets may be bound, except for any such contravention, breach or default which would not have a material adverse effect on the business, assets, financial condition or results of operations of the Manager;

8.1.6 no authorization, consent or approval, or filing with or notice to any Person is required in connection with the execution, delivery or performance by it of this Agreement; and

8.1.7 this Agreement constitutes its valid and legally binding obligation, enforceable against it in accordance with its terms, subject to (i) applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and other laws of general application limiting the enforcement of creditors' rights and remedies generally and (ii) general principles of equity, including standards of materiality, good faith, fair dealing and reasonableness, equitable defenses and limits as to the availability of equitable remedies, whether such principles are considered in a proceeding at law or in equity.

**8.2 Representations and Warranties of the Service Recipients**

CWEN, CE LLC and CE Op, each hereby represents and warrants, on its behalf and on behalf of each of the other Service Recipients, to the Manager that:

8.2.1 it is validly organized and existing under the Laws governing its formation and organization;

8.2.2 it, or the relevant Service Recipient, holds such Permits necessary to own and operate the projects and entities that it directly or indirectly owns or operates from time to time and is not aware of any reason why such Permits might be cancelled;

8.2.3 it has the power, capacity and authority to enter into this Agreement and to perform its duties and obligations hereunder;

8.2.4 it has taken all necessary action to authorize the execution, delivery and performance of this Agreement;

8.2.5 the execution and delivery of this Agreement by it and the performance by it of its obligations hereunder do not and will not contravene, breach or result in any default under its Governing Instruments, or under any mortgage, lease, agreement or other legally binding instrument, Permit or applicable Law to which it is a party or by which any of its properties or assets may be bound, except for any such contravention, breach or default which would not have a material adverse effect on the business, assets, financial condition or results of operations of the Service Recipients as a whole;

8.2.6 no authorization, consent or approval, or filing with or notice to any Person is required in connection with the execution, delivery or performance by it of this Agreement; and

8.2.7 this Agreement constitutes its valid and legally binding obligation, enforceable against it in accordance with its terms, subject to: (i) applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and other laws of general application limiting the enforcement of creditors' rights and remedies generally; and (ii) general principles of equity, including standards of materiality, good faith, fair dealing and reasonableness, equitable defenses and limits as to the availability of equitable remedies, whether such principles are considered in a proceeding at law or in equity.

## **ARTICLE 9 LIABILITY AND INDEMNIFICATION**

### **9.1 Indemnity**

9.1.1 CWEN, CE LLC and CE Op hereby jointly and severally agree, to the fullest extent permitted by applicable Laws, to indemnify and hold harmless, and to cause each other Service Recipient to indemnify and hold harmless, each member of the Manager Group, any of its Affiliates (other than any member of the YieldCo Group) and any directors, officers, agents, members, partners, stockholders and employees and other representatives of each of the foregoing (each, a "**Manager Indemnified Party**") from and against any claims, liabilities, losses, damages (but expressly excluding any consequential damages that were not reasonably foreseeable and punitive damages, except to the extent awarded in a final judgment in respect of a Third Party Claim), costs or expenses (including legal fees) ("**Liabilities**") incurred by them or threatened in connection with any and all actions, suits, investigations, proceedings or claims of any kind whatsoever, whether arising under statute or action of a Governmental Authority or otherwise or in connection with the business, investments and activities of the Service



Recipients in respect of or arising from this Agreement or the Services provided hereunder (“**Claims**”), including any Claims arising on account of the Governmental Charges contemplated by Section 7.3; *provided*, that no Manager Indemnified Party shall be so indemnified with respect to any Claim to the extent that such Claim is finally determined by a final and non-appealable judgment entered by a court of competent jurisdiction, or pursuant to a settlement agreement agreed to by such Manager Indemnified Party, to have resulted from such Manager Indemnified Party’s bad faith, fraud, willful misconduct or gross negligence or, in the case of a criminal matter, conduct undertaken with knowledge that the conduct was unlawful.

9.1.2 If any action, suit, investigation, proceeding or claim is made or brought by any third party with respect to which an Indemnifying Party is obligated to provide indemnification under this Agreement (a “**Third Party Claim**”), the Manager Indemnified Party will have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel, as well as the reasonable costs (excluding an amount reimbursed to such Manager Indemnified Party for the time spent in connection therewith) and out-of-pocket expenses incurred in connection therewith will be paid by the Indemnifying Party in such case, as incurred but subject to recoupment by the Indemnifying Party if ultimately it is not liable to pay indemnification hereunder.

9.1.3 Each Manager Indemnified Party and the Indemnifying Party agree that, promptly after the receipt of notice of the commencement of any Third Party Claim, the applicable Manager Indemnified Party will notify the Indemnifying Party in writing of the commencement of such Third Party Claim (*provided*, that any accidental failure to provide any such notice will not prejudice the right of any such Manager Indemnified Party hereunder) and, throughout the course of such Third Party Claim, such Manager Indemnified Party will use its reasonable best efforts to provide copies of all relevant documentation to such Indemnifying Party, and to keep the Indemnifying Party apprised of the progress thereof, and to discuss with the Indemnifying Party all significant actions proposed.

9.1.4 The Parties expressly acknowledge and agree that the right to indemnity provided in this Section 9.1 shall be in addition to and not in derogation of any other liability which the Indemnifying Party in any particular case may have or of any other right to indemnity or contribution which any Manager Indemnified Party may have by statute or otherwise at law.

9.1.5 The indemnity provided in this Section 9.1 shall survive the completion of Services rendered under, or any termination or purported termination of, this Agreement.

## **9.2 Limitation of Liability**

9.2.1 The Manager assumes no responsibility under this Agreement other than to render the Services in good faith and will not be responsible for any action of a Service Recipient’s Governing Body in following or declining to follow any advice or recommendations of the relevant Service Provider.

9.2.2 The Service Recipients hereby agree that no Manager Indemnified Party will be liable to a Service Recipient, a Service Recipient's Governing Body (including, for greater certainty, a director or officer of a Service Recipient or another individual with similar function or capacity) or any security holder or partner of a Service Recipient for any Liabilities that may occur as a result of any acts or omissions by any Manager Indemnified Party pursuant to or in accordance with this Agreement, except to the extent that such Liabilities are finally determined by a final and non-appealable judgment entered by a court of competent jurisdiction to have resulted from a Manager Indemnified Party's bad faith, fraud, willful misconduct or gross negligence, or in the case of a criminal matter, conduct undertaken with knowledge that the conduct was unlawful.

9.2.3 The maximum amount of the aggregate liability of the Manager Indemnified Parties pursuant to this Agreement will be equal to the amounts previously payable in respect of Services pursuant to this Agreement in the two most recent calendar years by the Service Recipients pursuant to Article 7.

9.2.4 For the avoidance of doubt, the provisions of this Section 9.2 shall survive the completion of the Services rendered under, or any termination or purported termination of, this Agreement.

### **9.3 Benefit to all Manager Indemnified Parties**

9.3.1 CWEN, CE LLC and CE Op on behalf of themselves and the other Service Recipients, hereby constitute the Manager as trustee for each of the Manager Indemnified Parties of the covenants of the Service Recipients under this Article 9 with respect to such Manager Indemnified Parties, and the Manager hereby accepts such trust and agrees to hold and enforce such covenants on behalf of the Manager Indemnified Parties.

9.3.2 The Manager hereby constitutes the Service Recipients as trustees for each Service Recipient's Governing Body (including, for greater certainty, a director or officer of a Service Recipient or another individual with similar function or capacity) or any security holder or partner of a Service Recipient, of the covenants of the Manager under this Article 9 with respect to such parties, and the Service Recipients hereby accept such trust and agree to hold and enforce such covenants on behalf of such parties.

## **ARTICLE 10 TERM AND TERMINATION**

### **10.1 Term**

This Agreement shall continue in full force and effect in perpetuity until terminated in accordance with Section 10.2, Section 10.3 or Section 12.1.1.

### **10.2 Termination by the Service Recipients**

10.2.1 CWEN, on behalf of the Service Recipients, may, subject to Section 10.2.2, terminate this Agreement effective upon 30 days' prior written notice of termination to the Manager without payment of any termination fee if:

10.2.1.1 any member of the Manager Group defaults in the performance or observance of any material term, condition or agreement contained in this Agreement in a manner that results in material harm to the Service Recipients and such default continues for a period of 30 days after written notice thereof specifying such default and requesting that the same be remedied in such 30-day period;

10.2.1.2 any member of the Manager Group engages in fraud, misappropriation of funds or embezzlement against any Service Recipient;

10.2.1.3 any member of the Manager Group is grossly negligent in the performance of its obligations under this Agreement, and such gross negligence results in material harm to the Service Recipients;

10.2.1.4 the Manager makes a general assignment for the benefit of its creditors, institutes proceedings to be adjudicated voluntarily bankrupt, consents to the filing of a petition of bankruptcy against it, is adjudicated by a court of competent jurisdiction as being bankrupt or insolvent, seeks reorganization under any bankruptcy law or consents to the filing of a petition seeking such reorganization or has a decree entered against it by a court of competent jurisdiction appointing a receiver liquidator, trustee or assignee in bankruptcy or in insolvency.

10.2.2 This Agreement may only be terminated pursuant to Section 10.2.1 above by CWEN with the prior approval of a majority of the members of the Conflicts Committee.

10.2.3 This Agreement may also be terminated by CWEN pursuant to Section 12.1.1 with the prior approval of a majority of the members of the Conflicts Committee.

10.2.4 Each of CWEN, CE LLC and CE Op hereby agrees and confirms that this Agreement may not be terminated due solely to the poor performance or underperformance of any of their Subsidiaries or the Business or any investment made by any member of the YieldCo Group on the recommendation of any member of the Manager Group.

### **10.3 Termination by the Manager**

**10.3.1** The Manager may terminate this Agreement effective upon 180 days' prior written notice of termination to CWEN without payment of any termination fee if:

10.3.1.1 any Service Recipient defaults in the performance or observance of any material term, condition or agreement contained in this Agreement in a manner that results in material harm to the Manager and such default continues for a period of 30 days after written notice thereof specifying such default and requesting that the same be remedied in such 30-day period; or

10.3.1.2 any Service Recipient makes a general assignment for the benefit of its creditors, institutes proceedings to be adjudicated voluntarily bankrupt, consents to the filing of a petition of bankruptcy against it, is adjudicated by a court of

competent jurisdiction as being bankrupt or insolvent, seeks reorganization under any bankruptcy law or consents to the filing of a petition seeking such reorganization or has a decree entered against it by a court of competent jurisdiction appointing a receiver liquidator, trustee or assignee in bankruptcy or in insolvency.

#### **10.4 Survival Upon Termination**

If this Agreement is terminated pursuant to this Article 10 or Article 12, such termination will be without any further liability or obligation of any Party, except as provided in Section 1.3, Section 6.4, Section 6.5, Article 9, this Section 10.4, Section 10.6, Article 11, Section 12.3, Section 12.4, Section 12.5, Section 12.6, Section 12.7, Section 12.8, Section 12.9 and Section 12.10.

#### **10.5 Action Upon Termination**

10.5.1 From and after the effective date of the termination of this Agreement, the Manager shall not be entitled to receive the Annual Fee for further Services under this Agreement, but will be paid all compensation accruing to and including the date of termination.

10.5.2 Upon any termination of this Agreement, the Manager shall promptly:

10.5.2.1 work in collaboration with CWEN to enable CWEN as soon as practicable to maintain such Services on its own behalf, including the transfer to CWEN of all Persons providing services to or on behalf of the Service Recipients employed or contracted by the Manager Group;

10.5.2.2 after deducting any accrued compensation and reimbursements to which it is then entitled, pay to the Service Recipients all money collected and held for the account of the Service Recipients pursuant to this Agreement;

10.5.2.3 deliver to the Service Recipients' Governing Bodies a full accounting, including a statement showing all payments collected by it and a statement of all money held by it, covering the period following the date of the last accounting furnished to the Governing Bodies with respect to the Service Recipients; and

10.5.2.4 deliver to the Service Recipients' Governing Bodies all property and documents of the Service Recipients then in the custody of the Manager Group.

#### **10.6 Release of Money or other Property Upon Written Request**

The Manager hereby agrees that any money or other property of the Service Recipients or their Subsidiaries held by the Manager Group under this Agreement shall be held by the relevant member of the Manager Group as custodian for such Person, and the relevant member of the Manager Group's records shall be marked clearly to reflect the ownership of such money or other property by such Person. Upon the receipt by the relevant member of the Manager Group of a written request signed by a duly authorized representative of a Service Recipient requesting

the relevant member of the Manager Group to release to the Service Recipient any money or other property then held by the relevant member of the Manager Group for the account of such Service Recipient under this Agreement, the relevant member of the Manager Group shall release such money or other property to the Service Recipient promptly, but in no event later than 7 days following such request. The relevant member of the Manager Group shall not be liable to any Service Recipient, a Service Recipient's Governing Body or any other Person for any acts performed or omissions to act by a Service Recipient in connection with the money or other property released to the Service Recipient in accordance with the second sentence of this Section 10.6. Each Service Recipient shall indemnify and hold harmless the relevant member of the Manager Group, any of its Affiliates (other than any member of the YieldCo Group) and any directors, officers, agents, members, partners, shareholders and employees and other representatives of each of the foregoing from and against any and all Liabilities which arise in connection with the relevant member of the Manager Group's release of such money or other property to such Service Recipient in accordance with the terms of this Section 10.6. Indemnification pursuant to this provision shall be in addition to any right of such Persons to indemnification under Section 10.1. For the avoidance of doubt, the provisions of this Section 10.6 shall survive termination of this Agreement. The Service Recipients hereby constitute the Manager as trustee for each Person entitled to indemnification pursuant to this Section 10.6 of the covenants of the Service Recipients under this Section 10.6 with respect to such Persons, and the Manager hereby accepts such trust and agrees to hold and enforce such covenants on behalf of such Persons.

## **ARTICLE 11 ARBITRATION**

### **11.1 Dispute**

Any dispute or disagreement of any kind or nature between the Parties arising out of or in connection with this Agreement (a "**Dispute**") shall be resolved in accordance with this Article 11.

### **11.2 Arbitration**

11.2.1 Any Dispute shall be submitted to arbitration (the "**Arbitration**") by three (3) Arbitrators pursuant to the procedure set forth in this Section 11.2 and pursuant to the then current Commercial Arbitration Rules (the "**Rules**") of the American Arbitration Association ("**AAA**"). If the provisions of this Section 11.2 are inconsistent with the provisions of the Rules and to the extent of such inconsistency, the provisions of this Section 11.2 shall prevail in any Arbitration.

11.2.2 Any Party may make a demand for Arbitration by sending a notice in writing to any other Party, setting forth the nature of the Dispute, the amount involved and the name of one arbitrator appointed by such Party. The demand for Arbitration shall be made no later than thirty (30) days after the event giving rise to the Dispute.

11.2.3 Within thirty (30) days after any demand for Arbitration under Section 11.2.2, the other Party shall send a responding statement, which shall contain the name of one arbitrator appointed by the responding Party.

11.2.4 Within thirty (30) days of the appointment of the second arbitrator, the two party-appointed arbitrators shall appoint the third arbitrator, who shall act as the chair of the arbitration panel. The third arbitrator shall be appointed from the AAA National Roster (collectively with the two party-appointed arbitrators, the “**Arbitrators**”).

11.2.5 In connection with any Arbitration, the Arbitrators shall allow reasonable requests for (i) the production of documents relevant to the dispute and (ii) taking of depositions.

11.2.6 The seat of the arbitration will be the State of Delaware and the language of the arbitration will be English. The Arbitration hearings shall be held in a location in the State of Delaware specified in the demand for Arbitration and shall commence no later than thirty (30) days after the determination of the Arbitrators under Section 11.2.4.

11.2.7 The decision of the Arbitrators shall be made not later than sixty (60) days after its appointment. The decision of the Arbitrators shall be final without appeal and binding on the Parties and may be enforced in any court of competent jurisdiction.

11.2.8 Each Party involved in the Dispute shall bear the costs and expenses of all lawyers, consultants, advisors, witnesses and employees retained by it in any Arbitration. The expenses of the Arbitrators shall be paid equally by the Parties unless the Arbitrators otherwise provides in its award.

11.2.9 Notwithstanding any conflicting choice of law provisions in this Agreement or any applicable principles of conflicts of law, the arbitration provisions set forth herein, and any Arbitration conducted hereunder, shall be governed exclusively by the Federal Arbitration Act, 9 U.S.C. § 1, et seq.

11.2.10 Judgment on the award rendered by the Arbitrators may be entered in any court having jurisdiction thereof.

### **11.3 Continued Performance**

During the conduct of Dispute resolution procedures pursuant to this Article 11, the Parties shall continue to perform their respective obligations under this Agreement and neither Party shall exercise any other remedies to resolve a Dispute.

### **11.4 Urgent Relief**

Nothing in this Article 11 will prejudice the right of a Party to seek urgent injunctive or declaratory relief from a court pursuant to Section 12.8.2.

## **ARTICLE 12 GENERAL PROVISIONS**

### **12.1 Amendment, Waiver**

12.1.1 CWEN is entitled to amend the scope of the Services, including by reducing the number of Service Recipients or the nature or description of the Services or otherwise, by

providing 90 days' prior written notice to the Manager; *provided, however*, that CWEN may not increase the scope of the Services without the Manager's prior written consent (not to be unreasonably withheld, conditioned or delayed); *provided, further, however*, that prior to such modification, CWEN and the Manager shall agree in writing to any modification of the Annual Fee resulting from such change in scope. Subject to Section 10.2.3, in the event that CWEN and the Manager are unable to agree on a modified Annual Fee, CWEN may terminate this Agreement after the end of such 90-day period by providing 30 days' prior written notice to the Manager. Notwithstanding the notice period set forth in this Section 12.1.1, in the event of an assignment pursuant to Section 12.2.1(ii) below, CWEN may amend the scope of Services as set forth in this Section 12.1.1 by providing 30 days' prior written notice to the Manager.

12.1.2 Except as expressly provided in this Agreement, no amendment or waiver of this Agreement, except pursuant to the first sentence of Section 12.1.1 above, will be binding unless the prior approval of a majority of the members of the Conflicts Committee is obtained and the amendment or waiver is executed in writing by the Party to be bound thereby. No waiver of any provision of this Agreement will constitute a waiver of any other provision nor will any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

## **12.2 Assignment**

12.2.1 This Agreement shall not be assigned by the Manager without the prior written consent of CWEN, except (i) pursuant to Section 2.3, (ii) in the case of assignment to a Person that is the Manager's successor by merger, consolidation or purchase of assets, in which case the successor shall be bound under this Agreement and by the terms of the assignment in the same manner as the Manager is bound under this Agreement or (iii) to an Affiliate of the Manager or a Person that is, in the reasonable and good faith determination of the Conflicts Committee, an experienced and reputable manager, in which case the Affiliate or assignee shall be bound under this Agreement and by the terms of the assignment in the same manner as the Manager is bound under this Agreement. In addition, *provided*, that the Manager provides prior written notice to the Service Recipients for informational purposes only, nothing contained in this Agreement shall preclude any pledge, hypothecation or other transfer or assignment of the Manager's rights under this Agreement, including any amounts payable to the Manager under this Agreement, to a *bona fide* lender as security.

12.2.2 This Agreement shall not be assigned by any of the Service Recipients without the prior written consent of the Manager, except in the case of assignment by any such Service Recipient to a Person that is its successor by merger, consolidation or purchase of assets, in which case the successor shall be bound under this Agreement and by the terms of the assignment in the same manner as such Service Recipient is bound under this Agreement.

12.2.3 Any purported assignment of this Agreement in violation of this Article 12 shall be null and void.

### **12.3 Failure to Pay When Due**

Any amount payable by any Service Recipient to any member of the Manager Group hereunder which is not remitted when so due will remain due (whether on demand or otherwise) and interest will accrue on such overdue amounts (both before and after judgment) at a rate per annum equal to the Interest Rate.

### **12.4 Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the Parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The Parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

### **12.5 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement. There are no warranties, conditions, or representations (including any that may be implied by statute) and there are no agreements in connection with such subject matter except as specifically set forth or referred to in this Agreement. No reliance is placed on any warranty, representation, opinion, advice or assertion of fact made either prior to, contemporaneous with, or after entering into this Agreement, by any Party or its directors, officers, employees or agents, to any other Party or its directors, officers, employees or agents, except to the extent that the same has been reduced to writing and included as a term of this Agreement, and none of the Parties has been induced to enter into this Agreement by reason of any such warranty, representation, opinion, advice or assertion of fact. Accordingly, there will be no liability, either in tort or in contract, assessed in relation to any such warranty, representation, opinion, advice or assertion of fact, except to the extent contemplated above.

For the avoidance of doubt, nothing in this Agreement should be construed or interpreted as an amendment, modification or termination of, or conflict with, any of the Operating and Administrative Agreements. Each such agreement, and all its terms, including payments to be made thereunder, shall survive the entry into this Agreement and shall terminate in accordance with its terms.

### **12.6 Mutual Waiver of Jury Trial**

AS A SPECIFICALLY BARGAINED FOR INDUCEMENT FOR EACH OF THE PARTIES TO ENTER INTO THIS AGREEMENT (AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL), EACH PARTY EXPRESSLY WAIVES THE RIGHT TO



TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

## **12.7 Consent to Jurisdiction**

EACH OF THE PARTIES IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE DELAWARE COURT OF CHANCERY OR, TO THE EXTENT SUCH COURT DECLINES TO ACCEPT JURISDICTION OVER A PARTICULAR MATTER, ANY FEDERAL COURT OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF DELAWARE, FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING TO ENFORCE THE ARBITRATION PROVISION IN ARTICLE 11 OR TO SPECIFICALLY ENFORCE THE TERMS OF THIS AGREEMENT PURSUANT TO SECTION 12.8.2. THE DECISION IN ANY ARBITRATION SHALL BE FINAL AND BINDING AND MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. IF ANY PARTY FAILS TO APPEAR AT ANY PROPERLY NOTICED ARBITRATION PROCEEDING, AN AWARD MAY BE ENTERED AGAINST THAT PARTY IN A COURT HAVING JURISDICTION THEREOF.

## **12.8 Governing Law**

12.8.1 The internal law of the State of Delaware will govern and be used to construe this Agreement without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

12.8.2 The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement and the transactions contemplated hereby were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and the transactions contemplated hereby and to enforce specifically the terms and provisions of this Agreement and the transactions contemplated hereby in the courts of Delaware, this being in addition to any other remedy to which such Party is entitled at law or in equity.

## **12.9 Enurement**

This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

## **12.10 Notices**

Any notice, demand or other communication to be given under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) when delivered personally to the recipient, (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; but if not, then on the next Business Day, (iii) one Business Day after it is sent to the recipient by reputable overnight courier service (charges prepaid) or (iv) three Business Days after it is mailed to the recipient by first class mail, return receipt requested. Such notices, demands and other communications shall be sent to the addresses specified below, or at such address or to the attention of such other Person as the

recipient party has specified by prior written notice to the sending party. Any Party may change such Party's address for receipt of notice by giving prior written notice of the change to the sending Party as provided herein. Notices and other communications will be addressed as follows:

If to the Service Recipients:

Clearway Energy, Inc.  
300 Carnegie Center, Suite 300  
Princeton, NJ 08540  
Attn: Chief Investment Officer  
Email: [ogc@clearwayenergy.com](mailto:ogc@clearwayenergy.com)

If to the Manager:

Clearway Energy Group LLC  
100 California Street  
Suite 650  
San Francisco, CA 94111  
Attn: Alicia Stevenson  
Email: [Alicia.stevenson@clearwayenergy.com](mailto:Alicia.stevenson@clearwayenergy.com)

With a copy (which shall not constitute notice) to:

Clearway Energy Group LLC  
4900 N. Scottsdale Road  
Suite 5000  
Scottsdale, AZ  
Attn: Chief Legal Officer  
Email: [legalnotices@clearwayenergy.com](mailto:legalnotices@clearwayenergy.com)

### **12.11 Further Assurances**

Each of the Parties will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Party may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

### **12.12 Counterparts**

This Agreement may be signed in counterparts and each of such counterparts will constitute an original document and such counterparts, taken together, will constitute one and the same instrument.

(Signature pages follow)

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the date first above written.

CLEARWAY ENERGY, INC.

By:   
Name: Kevin P. Malcarney  
Title: Executive Vice President

CLEARWAY ENERGY LLC

By:   
Name: Kevin P. Malcarney  
Title: Executive Vice President

CLEARWAY ENERGY OPERATING  
LLC

By:   
Name: Kevin P. Malcarney  
Title: Executive Vice President

---

CLEARWAY ENERGY GROUP LLC, as  
Manager

By: 

Name: Craig Cornelius  
Title: Chief Executive Officer

## APPENDIX A

- Accounting and related activities including, without limitation, corporate accounting, derivatives, technical research, financial reporting and consolidation, outside audit and review support, and the design, development, execution and maintenance of necessary and appropriate internal accounting controls, disclosure controls and procedures and internal controls over financial reporting;
  - Internal audit activities including, without limitation, SOX support, enterprise risk management and oversight and execution of internal functional audits;
  - All legal and related services, including in connection with any public or private review, investigation, litigation and enforcement action but excluding third party legal services delivered to the Conflicts Committee in connection with its review of related party and other conflict transactions;
  - Investor relations and related activities;
  - Financial planning and analysis including the delivery of annual and other periodic budget information with sufficient detail and time for consideration and deliberation by the CWEN Governing Body;
  - Planning, compliance, structuring, reporting and remitting services related to the tax matters including, without limitation, sales & use tax, property tax, partnership tax, income tax, tax equity and other credits, and taxes related to employees and contractors;
  - Treasury operations matters including, without limitation, cash management and debt compliance;
  - Accounts payable, expense processing and management, and other accounting services not otherwise provided through Project Administration Agreements;
  - Commercial operations including REC management/administration and merchant position optimization;
  - Environmental, health and safety services, including preparation of annual ESG reporting;
  - External Affairs and internal communications, including government, regulatory and communications and internal communications for corporate wide awareness (intranet, newsletters, monthly meetings);
  - Human resource services, including compensation, benefits, recruitment, DEI, training, payroll, and talent management and reporting to the CWEN Compensation Committee;
  - Insurance and risk services including credit analysis, policy renewals and claims administration, including administration of requirements under CEG/CWEN Energy Risk Management Policy;
  - Vendor management and corporate procurement services;
  - Administration services including facilities management, information technology provision and management and corporate policy administration;
  - Regulatory planning, compliance and reporting including, without limitation, NERC, FERC, PUCT / ERCOT, EIA, CPUC, RTO/ISO and SEC and other applicable securities support;
  - Operational M&A sourcing, diligence and integration;
-

- Provision and support of all IT infrastructure, corporate and finance applications, cyber security, and collaboration platforms and associated labor not covered in the plant Operating and Administrative Agreements;
  - Corporate secretary services including, without limitation, planning and execution of meetings or actions by written consent of Governing Bodies and shareholders, the maintenance of minutes in connection therewith and other corporate record-keeping; and
  - Executive officer services.
-



## CERTIFICATION

I, Christopher S. Sotos, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Clearway Energy LLC;
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  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: May 9, 2024



## CERTIFICATION

I, Sarah Rubenstein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Clearway Energy LLC;
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/ SARAH RUBENSTEIN

Sarah Rubenstein  
*Executive Vice President and Chief Financial  
Officer  
(Principal Financial Officer and Principal  
Accounting Officer)*

Date: May 9, 2024

**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 LLC on Form 10-Q for the quarter ended March 31, 2024, 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: May 9, 2024

/s/ CHRISTOPHER S. SOTOS

Christopher S. Sotos

*President and Chief Executive Officer  
(Principal Executive Officer)*

/s/ SARAH RUBENSTEIN

Sarah Rubenstein

*Executive Vice President and Chief Financial Officer  
(Principal Financial Officer and 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 LLC and will be retained by Clearway Energy LLC and furnished to the Securities and Exchange Commission or its staff upon request.