8point3 Energy Partners LP
Form 424B4
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Registration No. 333-202634

PROSPECTUS

20,000,000 Class A Shares

Representing Limited Partner Interests

This is the initial public offering of Class A shares representing limited partner interests of 8point3 Energy Partners LP. We are selling 20,000,000 Class A shares.

The initial public offering price will be $21.00 per Class A share. Currently, no public market exists for the Class A shares. We have been approved to list our Class A shares on the NASDAQ Global Select Market under the symbol CAFD.

We are an emerging growth company as that term is used in the Jumpstart Our Business Startups Act and we are eligible for reduced public company reporting requirements. Please read Prospectus Summary Implications of Being an Emerging Growth Company.

Even though we are organized as a limited partnership under state law, we will be treated as a corporation for U.S. federal income tax purposes. Accordingly, we will be subject to U.S. federal income tax at regular corporate rates on our net taxable income and distributions we make to holders of our Class A shares will be taxable as ordinary dividend income to the extent of our current and accumulated earnings and profits as computed for U.S. federal income tax purposes.

Investing in the Class A shares involves risks that are described in the Risk Factors section beginning on page 34 of this prospectus.

These risks include the following:

We may not have sufficient cash available for distribution to pay the initial quarterly distribution to our Class A shareholders.

Since a substantial portion of our Initial Portfolio is still under construction, we are subject to risk related to the completion of such projects until such projects achieve their respective commercial operation dates.

We have a limited operating history and our projects may not perform as we expect.

We may not be successful in implementing our growth strategy of making accretive acquisitions of additional solar energy projects.

Our level of indebtedness or restrictions in the new credit facilities of 8point3 Operating Company, LLC could adversely affect our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

Our general partner and its affiliates, including our Sponsors, have conflicts of interest with us and limited duties to us and our Class A shareholders, and they may favor their own interests to the detriment of us and our Class A shareholders.

Holders of our Class A shares have limited voting rights and are not entitled to elect our general partner or its directors.

Our partnership agreement restricts the remedies available to holders of our Class A shares for actions taken by our general partner that might otherwise constitute breaches of fiduciary duties.

Class A shareholders will experience immediate and substantial dilution in as adjusted net tangible book value of $15.01 per Class A share.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Class A Share	Total
Initial public offering price	$ 21.00	$ 420,000,000
Underwriting discount[1]	$ 1.155	$ 23,100,000
Proceeds to us (before expenses)	$ 19.845	$ 396,900,000

(1) Excludes an aggregate structuring fee equal to 0.75% of the gross proceeds of this offering payable to Goldman, Sachs & Co. and Citigroup Global Markets Inc. Please read Underwriting.

We have granted the underwriters an option to purchase up to an additional 3,000,000 Class A shares from us, at the initial public offering price, less the underwriting discount and structuring fee, for 30 days after the date of this prospectus.

The underwriters expect to deliver the Class A shares on or about June 24, 2015.

Goldman, Sachs & Co. **Citigroup**

Deutsche Bank Securities **J.P. Morgan** **Credit Agricole CIB**

HSBC **MUFG** **Mizuho Securities** **Baird**

The date of this prospectus is June 18, 2015.

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We have not, and the underwriters have not, authorized anyone to provide you with any information or represent anything about us other than what is in this prospectus or in any free writing prospectus we may authorize to be delivered to you. We do not, and the underwriters and their affiliates and agents do not, take any responsibility for, and can provide no assurance as to the reliability of, any information that others may provide to you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. Unless otherwise indicated, you should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

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MARKET AND INDUSTRY DATA

We obtained the industry, market and competitive position data used throughout this prospectus from our own internal estimates as well as from industry publications and research, surveys and studies conducted by third parties, including the U.S. Department of Energy, the International Energy Agency, the U.S. Energy Information Administration, Bloomberg New Energy Finance, Renewable Energy Policy Network for the 21st Century, the Solar Energy Industries Association and Lazard Ltd. Industry publications, studies and surveys generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe our internal company research is reliable and the market definitions are appropriate, neither such research nor these definitions have been verified by any independent source. Estimates of historical growth rates in the markets where we operate are not necessarily indicative of future growth rates in such markets. While we are not aware of any misstatements regarding the market, industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed under the headings Forward-Looking Statements and Risk Factors in this prospectus.

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CERTAIN TERMS USED IN THIS PROSPECTUS

Unless the context provides otherwise, references herein to we, us, our and 8point3 Partners or like terms, when use in a historical context, refer to the projects that our Sponsors (as defined below) are contributing to us in connection with this offering. When used in the present tense or prospectively, such terms refer to 8point3 Energy Partners LP together with its consolidated subsidiaries, including OpCo (as defined below), after giving effect to the Formation Transactions (as defined under Prospectus Summary Formation Transactions). References herein to our predecessor refer to the operations of the SunPower Project Entities (as defined below) prior to the completion of this offering. References herein to our general partner refer to 8point3 General Partner, LLC. References herein to OpCo refer to 8point3 Operating Company, LLC and its subsidiaries. Upon completion of this offering, we will own a controlling non-economic managing member interest in OpCo and a 28.2% limited liability company interest in OpCo (or a 32.4% limited liability company interest if the underwriters exercise their option to purchase additional Class A shares in full) represented by OpCo common units and our Sponsors will collectively own a 71.8% limited liability company interest in OpCo (or a 67.6% limited liability company interest if the underwriters exercise their option to purchase additional Class A shares in full) represented by both OpCo common and subordinated units. Unless otherwise specifically noted, financial results and operating data are shown on a 100% basis and are not adjusted to reflect our Sponsors non-controlling interest in OpCo. For an explanation of certain terms we use to describe our business and industry and other terms used in this prospectus please read the Glossary beginning on page C-1 of this prospectus.

References within this prospectus to:

Blackwell Project refers to the solar energy project located in Kern County, California, that is held by the Blackwell Project Entity and has a nameplate capacity of 12 MW;

Blackwell Project Entity refers to Blackwell Solar, LLC;

C&I Project Entities refers to the Macy s Project Entities and the UC Davis Project Entity;

Contributing Sponsor refers, with respect to each project in the Initial Portfolio, to that Sponsor that directly or indirectly owned such project prior to the completion of this offering;

First Solar refers to First Solar, Inc., a corporation formed under the laws of the State of Delaware, in its individual capacity or to First Solar, Inc. and its subsidiaries, as the context requires. Unless otherwise specifically noted, references to First Solar and its subsidiaries excludes us, our general partner, Holdings and our subsidiaries, including OpCo;

First Solar Project Entities refers to the Lost Hills Project Entity, the Blackwell Project Entity, the Maryland Solar Project Entity, the North Star Project Entity and the Solar Gen 2 Project Entity and, with respect to certain of the foregoing, one or more of its direct or indirect holding companies;

First Solar ROFO Projects refers to, collectively, the projects set forth in the chart under the heading Business Our Portfolio ROFO Projects with First Solar listed as the Developing Sponsor and as to which we have a right of first offer under the First Solar ROFO Agreement (as defined under Certain Relationships and Related Party Transactions ROFO Agreements) should First Solar decide to sell them;

Holdings refers to 8point3 Holding Company, LLC, a limited liability company formed under the laws of the State of Delaware by First Solar and SunPower and the parent of our general partner;

Initial Portfolio refers to, collectively, our initial portfolio of solar energy projects, which consists of the Lost Hills Blackwell Project, the Macy s Project, the Maryland Solar Project, the North Star

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Project, the Quinto Project, the Solar Gen 2 Project, the RPU Project, the UC Davis Project and the Residential Portfolio;

Lost Hills Blackwell Project refers to the solar energy project held collectively by the Lost Hills Project Entity and the Blackwell Project Entity that is comprised of the Lost Hills Project and the Blackwell Project and has a nameplate capacity of 32 MW;

Lost Hills Blackwell Holding Company refers to FSAM Lost Hills Blackwell Holdings, LLC;

Lost Hills Project refers to the solar energy project located in Kern County, California, that is held by the Lost Hills Project Entity and has a nameplate capacity of 20 MW;

Lost Hills Project Entity refers to Lost Hills Solar, LLC;

Macy s Project refers to the solar energy project consisting of seven sites in Northern California that is held by the Macy s Project Entities and has an aggregate nameplate capacity of 3 MW;

Macy s Project Entities refers to, collectively, Solar Star California XXX, LLC and Solar Star California XXX (2), LLC;

Maryland Solar Project refers to the solar energy project located in Washington County, Maryland, that is held by the Maryland Solar Project Entity and has a nameplate capacity of 20 MW;

Maryland Solar Project Entity refers to Maryland Solar LLC;

North Star Project refers to the solar energy project located in Fresno County, California, that is held by the North Star Project Entity and has a nameplate capacity of 60 MW;

North Star Project Entity refers to North Star Solar, LLC;

OpCo refers to 8point3 Operating Company, LLC and its subsidiaries;

Project Entities refers to, collectively, the First Solar Project Entities and the SunPower Project Entities;

Quinto Project refers to the solar energy project located in Merced County, California, that is held by the Quinto Project Entity and has a nameplate capacity of 108 MW;

Quinto Project Entity refers to Solar Star California XIII, LLC;

Residential Portfolio refers to the approximately 5,900 solar installations located at homes in Arizona, California, Colorado, Hawaii, Massachusetts, New Jersey, New York, Pennsylvania and Vermont, that is held by the Residential Portfolio Project Entity and has an aggregate nameplate capacity of 39 MW;

Residential Portfolio Project Entity refers to SunPower Residential I, LLC;

ROFO Portfolio refers to, collectively, our portfolio of ROFO Projects;

ROFO Projects refers to, collectively, the First Solar ROFO Projects and the SunPower ROFO Projects;

RPU Project refers to the solar energy project located in Riverside, California, that is held by the RPU Project Entity and has a nameplate capacity of 7 MW;

RPU Project Entity refers to Solar Star California XXXI, LLC;

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Solar Gen 2 Project refers to the solar energy project located in Imperial County, California, that is held by the Solar Gen 2 Project Entity and has a nameplate capacity of 150 MW;

Solar Gen 2 Project Entity refers to SG2 Imperial Valley, LLC;

Sponsors refers, collectively, to First Solar and SunPower;

SunPower refers to SunPower Corporation, a corporation formed under the laws of the State of Delaware, in its individual capacity or to SunPower Corporation and its subsidiaries, as the context requires. Unless otherwise specifically noted, references to SunPower and its subsidiaries excludes us, our general partner, Holdings and our subsidiaries, including OpCo;

SunPower Project Entities refers to the Macy s Project Entities, the Quinto Project Entity, the RPU Project Entity, the UC Davis Project Entity and the Residential Portfolio Project Entity and, with respect to certain of the foregoing, one or more of its direct or indirect holding companies;

SunPower ROFO Projects refers to, collectively, the projects set forth in the chart under the heading Business Our Portfolio ROFO Projects with SunPower listed as the Developing Sponsor and as to which we have a right of first offer under the SunPower ROFO Agreement (as defined under Certain Relationships and Related Party Transactions ROFO Agreements) should SunPower decide to sell them;

UC Davis Project refers to the solar energy project located in Solano County, California, that is held by the UC Davis Project Entity and has a nameplate capacity of 13 MW;

UC Davis Project Entity refers to Solar Star California XXXII, LLC; and

Utility Project Entities refers to the Lost Hills Project Entity, the Blackwell Project Entity, the Maryland Solar Project Entity, the North Star Project Entity, the Quinto Project Entity, the RPU Project Entity and the Solar Gen 2 Project Entity.

Our Sponsors development pipeline consists of early to advanced-stage utility and commercial and industrial, or C&I, projects.

Our Sponsors consider a project to be in early-stage development when at least one or more of the following development milestones in respect of a project have been achieved: project-related site control in some form (e.g., option, lease, ownership), preparation of some or all material project-related permitting applications, preliminary interconnection planning and studies or identification of a potential offtake agreement opportunity.

Our Sponsors consider a project to be in advanced-stage development when all of the following development milestones in respect of a project have been achieved: obtaining some or all material project-related permits, securing interconnection, having a reasonable expectation for the sale of output related to the project, which may include being in negotiations, shortlisted or contracted for the potential offtake agreement opportunity and securing necessary real estate rights in respect of the project.

Projects are removed from the pipeline if a determination is made to no longer pursue development activities in respect of the project.

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FORWARD-LOOKING STATEMENTS

Some of the information in this prospectus may contain forward-looking statements. Forward-looking statements give our current expectations, contain projections of results of operations or of financial condition or forecasts of future events. Words such as could, will, may, assume, forecast, position, predict, strategy, expect, intend anticipate, believe, project, budget, potential or continue and similar expressions are used to identify forward- statements. Without limiting the generality of the foregoing, forward-looking statements contained in this prospectus include our expectations of plans, strategies, objectives, growth and anticipated financial and operational performance. Forward-looking statements can be affected by assumptions used or by known or unknown risks or uncertainties.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement, including industry data referenced elsewhere in this prospectus. We have chosen these assumptions or bases in good faith and believe that they are reasonable. However, when considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this prospectus. Actual results may vary materially. You are cautioned not to place undue reliance on any forward-looking statements.

You should also understand that it is not possible to predict or identify all such factors and should not consider the following list to be a complete statement of all potential risks and uncertainties.

Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include the following:

- the failure of our projects, including our Initial Portfolio, any SunPower ROFO Project, any First Solar ROFO Project or any other project we may acquire, to perform as we expect or to reach its commercial operation date, or COD;

- risks inherent in newly constructed solar energy projects, including underperformance relative to our expectations, system failures and outages;

- risks inherent in the operation and maintenance of solar energy projects;

- the impairment or loss of any one or more of the projects in our Initial Portfolio, such as the Solar Gen 2 Project or the Quinto Project, or any other projects we may acquire;

- terrorist or other attacks and responses to such acts;

- a natural disaster or other severe weather or meteorological conditions or other event of force majeure;

- the occurrence of a significant incident for which we do not have adequate insurance coverage;

the failure of a supplier to fulfill its warranty or other contractual obligations;

the inability of our projects to operate or deliver energy for any reason, including if interconnection or transmission facilities on which we rely become unavailable;

liabilities and operating restrictions arising from environmental, health and safety laws and regulations;

changes in U.S. federal, state, provincial and local laws, regulations, policies and incentives;

risks associated with litigation and administrative proceedings;

a failure to comply with anti-corruption laws and regulations in the United States and elsewhere;

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- risks associated with our ownership or acquisition of projects that remain under construction;
- the risk that our limited number of offtake counterparties will be unwilling or unable to fulfill their contractual obligations to us or that they otherwise terminate their agreements with us;
- our inability to renew or replace expiring or terminated agreements, such as our offtake agreements, at favorable rates or on a long-term basis;
- energy production by our projects or availability of our projects that does not satisfy the minimum obligations under our offtake agreements;
- a failure to locate and acquire interests in additional, attractive projects at favorable prices;
- limits on OpCo s ability to grow and make acquisitions because of its obligations under its limited liability company agreement to distribute available cash;
- lower prices for fuel sources used to produce energy from other technologies, which could reduce the demand for solar energy;
- risks to our Sponsors and third party development companies relating to project siting, financing, construction, permitting, the environment, governmental approvals and the negotiation of project development agreements, reducing opportunities available to us;
- risks inherent in the acquisition of existing solar energy projects;
- substantial competition from utilities, independent power producers and other industry participants;
- conflicts arising from our general partner s or our Sponsors relationship with us;
- increases in our tax liability; and
- certain factors discussed elsewhere in this prospectus.

Each forward-looking statement speaks only as of the date of the particular statement and we undertake no obligation to publicly update or revise any forward-looking statements except as required by law.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information you need to consider in making your investment decision. Before making an investment decision, you should read this entire prospectus carefully and should consider, among other things, the matters set forth under Risk Factors, Selected Historical and Pro Forma Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations as well as the combined carve-out and pro forma condensed consolidated financial statements and the related notes to those financial statements included elsewhere in this prospectus. Unless otherwise indicated, the information in this prospectus assumes that the underwriters do not exercise their option to purchase additional Class A shares. As used in this prospectus, all references to watts (e.g., megawatts, or MW, or gigawatts, or GW) refer to measurements of alternating current, or AC, except where otherwise noted. Our name is derived from the average amount of time it takes light from the sun to reach the earth, which is 8.3 minutes.

8point3 Energy Partners LP

Overview

We are a growth-oriented limited partnership formed by First Solar and SunPower to own, operate and acquire solar energy generation projects. Upon completion of this offering, our Initial Portfolio, which we will acquire from our Sponsors, will have interests in 432 MW of solar energy projects. Our primary objective is to generate predictable cash distributions that grow at a sustainable rate. We intend to achieve this objective by acquiring high-quality solar assets primarily developed by our Sponsors that generate long-term contracted cash flows and serve utility, C&I and residential customers in the United States and other select markets, primarily within the countries that comprise the Organization for Economic Co-operation and Development, or the OECD.

We believe our relationship with our Sponsors provides us with a significant competitive advantage. Our Sponsors have demonstrated track records of developing solar energy projects in our target markets. For example, between 2005 and 2014, our Sponsors developed, built or supplied solar modules to approximately 39% of the 18.1 GW of solar power capacity installed in the United States and approximately 11% of the solar power capacity installed in the OECD. As of March 31, 2015, on a combined basis, our Sponsors had identified a development pipeline (as defined in the Certain Terms Used in this Prospectus) of approximately 13.7 GW of potential solar energy project opportunities, ranging from early-stage to advanced-stage development. We will have a right of first offer, or ROFO, on interests in 1,143 MW of the advanced development stage projects included in this pipeline, all of which are located in our target markets. Our Sponsors development track records are enhanced by their vertically integrated business models across the solar value chain, from solar module and select balance of systems manufacturing to providing engineering, procurement and construction, or EPC, and operations and maintenance, or O&M, services, which enables them to more efficiently develop solar energy projects.

We believe the key drivers of solar energy industry growth are the following:

> ***Increasing demand for solar energy.*** Global energy demand is increasing due to economic development and population growth. The Energy Information Administration, or the EIA, projects OECD electricity generation to increase 34% between 2014 and 2040, requiring a capacity increase of more than 600 GW, which will include solar energy projects. Due to exposure to volatile fossil fuel costs, increasing concern about carbon emissions and a variety

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of other factors, customers are seeking alternatives to traditional sources of electricity generation. As a form of electricity generation that is not dependent on fossil fuels, does not produce greenhouse gas emissions and whose costs are falling, solar energy is well positioned to continue to capture an increasing share of this new build capacity.

Retirement of traditional sources of generation. The coal-fired power generation industry is facing increased environmental scrutiny and regulation. In the United States, the Environmental Protection Agency, or EPA, has proposed new rules under the Clean Air Act targeting emissions of greenhouse gases, sulfur dioxide and nitrogen oxides from traditional coal-fired plants. According to the EIA, the percentage of electricity generated by coal in the United States decreased from 52% in 2000 to 40% in 2013 and is expected to further decrease to 32% by 2040. Other countries that we intend to target have adopted similar restrictions. In addition, global nuclear power generation decreased by 10% from 2010 to 2013 according to the International Energy Agency, or IEA, primarily as a result of Germany permanently shutting down eight nuclear reactors and Japan s suspension of operations at its nuclear facilities following the Fukushima Daiichi nuclear disaster.

Increasing penetration of distributed solar generation. Distributed solar generation, or DG Solar, systems are solar energy systems deployed at the site of end-use, such as businesses and homes. These systems benefit from not needing to recover the expense associated with using the electric transmission system. DG Solar enables the generation and use of solar power by residential and C&I customers at a relatively predictable, stable and competitive cost. According to Bloomberg New Energy Finance, or BNEF, small-scale, or non-utility scale, solar capacity in our current and potential markets is expected to grow from 67 GW in 2014 to 440 GW in 2030.

Decreasing solar costs opening new markets. The levelized cost of energy, or LCOE, represents the all-in cost of constructing, owning and operating an electric generation facility on a per MWh basis and is a means of comparing cost competitiveness across different generation sources. Recent advances in solar technology, such as increased solar module efficiency, combined with greater economies of scale, declining input costs and relatively low variable O&M cost, have led to a significant decrease in solar energy s LCOE. As solar energy s LCOE falls, solar energy approaches grid parity, which is the point at which solar energy can generate electricity at a cost equal to existing sources of generation. Solar energy generation is reaching or has reached grid parity in an increasing number of markets as solar LCOE declines and competing electricity prices continue to increase. For a further discussion of LCOE, please read Industry Key Drivers of Solar Energy Industry Growth Decreasing solar costs opening new markets.

Government incentives for solar. Many OECD governments have supported the growth of the solar industry through various tax incentives, price incentives (e.g., feed-in-tariffs), subsidies or mandates requiring utilities to use renewable energy and favorable net metering policies. For a discussion of incentives provided by U.S. federal and state governments, please read Industry Solar Energy Markets United States.

Emergence of new business opportunities. As the solar energy market continues to mature, new business models, including firm power, direct access and community solar, are emerging that represent additional opportunities for solar industry growth. For a discussion of these new opportunities, please read Industry Key Drivers of Solar Energy Industry Growth Emergence of new business opportunities.

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Upon the completion of this offering, we will own interests in six utility-scale solar energy projects, three of which are operational and three of which are in late-stage construction. These assets will represent 87% of the generating capacity of our Initial Portfolio upon all projects attaining COD. We will also own interests in a portfolio of C&I and residential DG Solar assets, which will represent 13% of the generating capacity of our Initial Portfolio. Our Initial Portfolio is located entirely in the United States and consists of utility-scale and C&I assets that sell substantially all of their output under long-term, fixed-price offtake agreements with investment grade offtake counterparties and residential DG Solar assets that are leased under long-term fixed-price offtake agreements with high credit quality residential customers with FICO scores averaging 765 at the time of initial contract. As of March 31, 2015, the weighted average remaining life of offtake agreements across our Initial Portfolio was 22.0 years. In addition, we will have a right of first offer on certain of our Sponsors solar energy projects that are currently contracted or expected to be contracted prior to the closing of this offering, should our Sponsors decide to sell such projects during the term of our ROFO Agreements.

We intend to make quarterly distributions of cash to holders of our Class A shares in accordance with Our Cash Distribution Policy and Restrictions on Distributions. Our initial quarterly distribution will be set at $0.2097 per Class A share or $0.8388 per Class A share on an annualized basis. Because not all of our Initial Projects are fully operational, our Sponsors have agreed to forego distributions declared on their OpCo common and subordinated units until such fiscal quarter commencing on or after March 1, 2016 that the board of directors of our general partner, with the concurrence of the conflicts committee, determines that OpCo will generate sufficient cash available for distribution without such forbearance for us to pay the full initial quarterly distribution for such quarter and the successive quarter. We intend to target an annual growth rate of our distributions of 12% to 15% per Class A share over the three-year period following completion of this offering. This target is based on our Sponsors intention to offer us ROFO Projects on a schedule designed to produce such an increase. Furthermore, we believe we will have opportunities in the United States and in other OECD member countries to acquire solar projects with characteristics similar to the projects in our Initial Portfolio, which we expect to give us the opportunity to increase the amount of cash available for distribution over time. While we believe our targeted growth rate is reasonable, it is based on estimates and assumptions regarding a number of factors, many of which are beyond our control, and we may not be able to expand our business at a rate consistent with our expectations, if at all.

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Our Portfolio

Initial Projects

The following table provides an overview of the assets that will comprise our Initial Portfolio:

Project	Location	COD(1)	MW(ac)(2)	Contributing Sponsor	Counterparty	Counterparty Credit Rating / Avg. FICO Score	Remaining Term of Offtake Agreement(3) (years)
Utility							
Maryland Solar	Maryland	February 2014	20	First Solar	First Energy Solutions	BBB-	18.0
Solar Gen 2	California	November 2014	150	First Solar	San Diego Gas & Electric	A	24.7
Lost Hills Blackwell	California	April 2015	32	First Solar	City of Roseville / Pacific Gas and Electric	AA+ / BBB	28.7(4)
North Star	California	June 2015	60	First Solar	Pacific Gas and Electric	BBB	20.0
RPU	California	October 2015	7	SunPower	City of Riverside	A-	25.0
Quinto	California	October 2015	108	SunPower	Southern California Edison	BBB+	20.0
C&I							
UC Davis	California	September 2015	13	SunPower	University of California	AA	20.0
Macy s	California	October 2015	3	SunPower	Macy s Corporate Services	BBB+	20.0
Residential Portfolio	U.S. Various	June 2014	39	SunPower	Approx. 5,900 homeowners	765 Average / 680 Minimum(5)	17.3(6)
Total			**432**				

(1) For each utility project that has yet to reach its commercial operation date, or COD, and for the UC Davis Project, COD is the expected COD. For the Macy s Project, COD represents the expected first date on which all of the solar

generation systems within the Macy s Project will achieve COD. For our Residential Portfolio, COD represents the first date on which all of the residential systems within the Residential Portfolio have achieved COD.

(2) The MW for the projects in which we own or will own less than a 100% interest or in which we are or will be the lessor under any sale-leaseback financing are shown on a gross basis. For a description of these ownership arrangements, please read Tax Equity Financing.

(3) Remaining term of offtake agreement is measured from the later of March 31, 2015 or the COD of the applicable project.

(4) Remaining term comprised of 3.7 years on a power purchase agreement, or PPA, with the City of Roseville, California, followed by a 25-year PPA with Pacific Gas and Electric starting in 2019.

(5) Measured at the time of initial contract.

(6) Remaining term is the weighted average duration of all of the residential leases. The shortest remaining term is 15.8 years and the longest remaining term is 19.3 years.

Tax Equity Financing

Several of our projects have been financed through tax equity arrangements. There are three main structures used for tax equity investment: partnership flip, sale-leaseback, and inverted lease (lease pass-through). In partnership flip structures, tax items (tax credits or taxable income or loss) of

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the applicable projects will be allocated among the tax equity investor and OpCo based on the specifics of the agreement relating to the project, and available cash may be allocated among the owners pursuant to a different schedule or waterfall. For more information, please read Business Tax Equity.

For each of Solar Gen 2 Project, the Lost Hills Blackwell Project and the North Star Project, we have utilized a modified partnership flip structure in which available cash will be distributed 51% to the tax equity investor and 49% to OpCo. 100% of the Maryland Solar Project Entity will be contributed to OpCo at the closing of the offering, upon which the Maryland Solar Project will be leased back to First Solar until December 31, 2019. For a description of this sale-leaseback transaction, please read Certain Relationships and Related Party Transactions Maryland Solar Lease Arrangement.

The tax equity arrangements, which have been entered into with respect to the Quinto Project and the RPU Project and which are subject to a binding commitment with a tax equity investor with respect to the UC Davis Project and the Macy s Project, are or will be partnership flip structures. In the case of each of these projects, cash items will be distributed pursuant to a distribution waterfall specified in the applicable agreement. Pursuant to each of these distribution waterfalls, the tax equity investor will be entitled to a quarterly preferred return until a specified flip point, as well as an additional percentage of total distributions, in some cases only to the extent production from the applicable project exceeds a P50 production level (which is the level of energy production we estimate that a project will meet or exceed 50% of the time). After the flip point, the tax equity investor will be entitled to a fixed percentage of total cash distributions from the applicable project.

The following table provides an overview of the cash distribution waterfalls for each of the Quinto Project, the RPU Project, the UC Davis Project and the Macy s Project.

	Before Flip				After Flip	
	Tax Equity Investor			OpCo	Tax Equity Investor	OpCo
	Preferred Return					
Project	In thousands (annualized)	Preferred Return Percentage (1)	Distribution % (2)	Percentage of P50 Production (3)(4)	Distribution %	Distribution %(4)
RPU	$ 271	~25.0%	4.95%	~75.0%	5.0%	95.0%
Quinto	3,278	~8.5%	4.95%	~91.5%	5.0%	95.0%
UC Davis & Macy s	31.5	~13.7%	2.85%	~82.5%	10.55%	88.55%

(1) Represents the preferred return s percentage of distributable cash from the project, assuming a P50 production level.
(2) Represents the tax equity investor s percentage of non-preferred return distributions. For the RPU Project and the Quinto Project, the tax equity investor is only entitled to these distributions on production that exceeds a P50 production level. For the UC Davis Project and the Macy s Project, upon entering into the tax equity arrangements, the tax equity investor will be entitled to these distributions on all production.
(3) Represents OpCo s expected interest in distributions paid by the project, assuming a P50 production level.
(4)

Affiliates of SunPower are entitled to 0.01% of the tax profit of each of the RPU Project s holding company and the Quinto Project s holding company in years when such holding company has a tax profit, and, upon entering into the tax equity arrangements, will be entitled to approximately 1% of the distributions by the UC Davis Project and the Macy s Project in excess of the preferred return and after the flip point.

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The following charts provide an overview of the characteristics of our Initial Portfolio by offtake counterparty, contract years remaining and country:

Offtake Counterparty[(1)]	Contract Years Remaining[(2)]	Country

(1) Weighted average based on MW capacity.
(2) Weighted average based on MW capacity as of March 31, 2015.

ROFO Projects

Our primary objective is to generate predictable cash distributions that grow at a sustainable rate. Our Sponsors have granted us rights of first offer on certain of their solar energy projects that are currently contracted or are expected to be contracted prior to being sold, should our Sponsors decide to sell such projects during the term of such agreements. Our ROFO Projects include assets similar to the projects in our Initial Portfolio and represent interests in 1,143 MW capacity, or more than 2.6 times our Initial Portfolio. The following table provides a brief description of the ROFO Projects:

Project	Location	COD[(1)]	MW(ac)[(2)]	Developing Sponsor	Counterparty	Counterparty Credit Rating / Avg. FICO Score	Remaining Term of Offtake Agreement[(3)] (years)
Utility							
Contracted							
Kingbird	California	December 2015	40	First Solar	Southern California Public Power Authority[(4)]	AA-	20.0
Hooper	Colorado	April 2016	52	SunPower	Public Service Company of Colorado	A-	20.5
Moapa	Nevada	June 2016	250	First Solar	Los Angeles Dept. of Water and Power	AA-	25.0
Cuyama	California	June 2016	40	First Solar	Pacific Gas and Electric	BBB	25.0[(5)]
Henrietta	California	July 2016	102	SunPower	Pacific Gas and Electric	BBB	20.0
Stateline	California	September 2016	300	First Solar	Southern California	BBB+	20.0

					Edison		
Stanford	California	October 2016	54	SunPower	Leland Stanford Junior University	AAA	25.0
Awarded							
El Pelicano	Chile	November 2016	100	SunPower			
Advanced Development							
IPT Solar Gen	Japan	May 2017	20	SunPower			

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Project	Location	COD[1]	MW(ac)[2]	Developing Sponsor	Counterparty	Counterparty Credit Rating / Avg. FICO Score	Remaining Term of Offtake Agreement[3] (years)
C&I							
Contracted							
Commercial Portfolio 1	U.S. - Various	December 2013	45	SunPower	Various		15.5[6]
Napa Sanitation District	California	December 2015	1	SunPower	Napa Sanitation District	AA-	25.0
Riverside Public Utility District - Water Division	California	March 2016	6	SunPower	Riverside Public Utility District - Water Division	AA-	25.0
Rancho California Water District	California	April 2016	4	SunPower	Rancho California Water District	AA+	25.0
Macy s Maryland	Maryland	May 2016	6	SunPower	Macy s Corporate Services	BBB+	20.0
Commercial Portfolio 2	U.S. - Various	August 2016	49	SunPower	Various[7]		16.0[8]
Kern High School District	California	September 2016	20	SunPower	Kern High School District	AA	20.0
Awarded[9]							
Colorado	Colorado	October 2015	1	SunPower			
California 1	California	June 2016	2	SunPower			
Connecticut	Connecticut	June 2016	1	SunPower			
Alabama	Alabama	September 2016	8	SunPower			
California 2	California	September 2016	2	SunPower			
Massachusetts	Massachusetts	October 2016	1	SunPower			
California 3	California	December 2016	5	SunPower			
Residential ROFO Portfolio	U.S. Various	October 2014	34	SunPower	Approx. 5,000 homeowners	766 Average / 700 Minimum[10]	19.5[11]
Total			**1,143**				

(1) For each utility project that has yet to reach its COD, COD is the expected COD. For C&I projects that have yet to reach COD, COD represents the expected first date on which all of the solar generation systems within such

project have achieved COD. For C&I Projects that have attained COD and for our Residential ROFO Portfolio, COD represents the first date on which all of the solar generation systems or residential systems within such project or portfolio, as applicable, have achieved COD.

(2) The MW for the projects in which our Sponsors own less than a 100% interest are shown on a gross basis. At or prior to COD of the projects subject to our ROFO Agreements, our Sponsors may enter into arrangements, often referred to as tax equity financing, with investors seeking to utilize the tax attributes of their projects which may result in a reduction of our expected economic ownership of such ROFO Project. These arrangements have multiple potential structures which have differing impacts on our economic ownership. With respect to certain utility-scale projects, these arrangements may result in our expected economic ownership percentage of such project being not less than 49% at the time of purchase. Our Sponsors are also permitted to sell a partial economic interest in any ROFO Project as part of a tax equity investment in such ROFO Project. In addition, the Sponsors may sell a portion of the equity in non-U.S. projects to development partners.

(3) Remaining term of offtake agreement is measured from the later of March 31, 2015 or the COD of the applicable project.

(4) The Kingbird project is subject to two separate PPAs with member cities of the Southern California Public Power Authority.

(5) Remaining term does not include 2.5 years of uncontracted merchant power prior to a 25-year PPA with Pacific Gas and Electric starting in 2019.

(6) Remaining term is the weighted average duration of all of the commercial PPAs. The shortest remaining term is 13.3 years and the longest remaining term is 17.5 years.
(7) This portfolio is partially contracted with a utility offtaker to assist such offtaker with its capacity requirements.
(8) Remaining term is the weighted average duration of all of the commercial PPAs. The shortest remaining term is 14.0 years and the longest remaining term is 18.3 years.
(9) Awarded projects are projects that have been awarded by the offtake counterparty to the developing Sponsor and are expected to be contracted by the closing of this offering.
(10) Measured at the time of initial contract.
(11) Remaining term is the weighted average duration of all of the residential leases. The shortest remaining term is 18.0 years and the longest remaining term is 20.0 years.

We believe the ROFO Projects will have many of the characteristics of the projects in our Initial Portfolio, including stable cash flows from long-term offtake agreements with creditworthy offtake counterparties and newly constructed, long-lived facilities. The following charts provide an overview of the characteristics of our ROFO Portfolio by offtake counterparty and country, in each case based on MW capacity:

Offtake Counterparty **Country**

The ROFO Projects may not be completed and, even if they are completed, our Sponsors will not be obligated to offer them to us at prices or on terms that allow us to achieve our targeted growth rate, or at all, and even if we are offered such acquisition opportunities, we may not be able to consummate acquisitions from either Sponsor. Furthermore, as part of arrangements with investors seeking to utilize tax attributes or in connection with the development of non-U.S. projects, our Sponsors are permitted to sell a partial economic ownership in their projects without offering us the opportunity to acquire such interests. Even if we consummate such acquisitions with either Sponsor, the acquired projects may not perform as expected and we may not achieve our targeted growth rate. Please read Risk Factors for risks associated with our forecast and our ability to consummate acquisitions.

Our Business Strategies

Our primary objective is to generate predictable cash distributions that grow at a sustainable rate. We intend to achieve this objective through the following strategies:

Own and operate long-term contracted solar generation assets

We believe that contracted solar energy projects generate predictable cash flows. Solar power is generally sold under long-term offtake agreements that require the purchaser to acquire all of the power that is produced by the solar energy project. The principal factor affecting the amount of power produced is the level of sunlight reaching the project, which is largely predictable over the long term. Solar energy systems generate most of their electricity during the time of peak demand, when energy from the sun is strongest. In addition, solar energy projects contain limited operational and technology risks given their modular nature and minimum number of moving parts, which results in relatively low, stable and predictable O&M expenses. We intend to continue to own and operate long-term contracted solar energy systems as we grow our business and project portfolio over time.

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Acquire assets in our target markets

We intend to pursue strategic opportunities to grow our company through acquisitions, primarily from our Sponsors, of long-term contracted solar energy projects that have commenced, or are close to commencing, commercial operation and that have characteristics similar to our Initial Portfolio, including reliable technology with relatively stable cash flows. Under the ROFO Agreements with our Sponsors, our Sponsors will be required for a period of five years from the closing of this offering to offer us the opportunity to purchase their interests in certain solar energy projects should they seek to sell such interests to a third party. As of March 31, 2015, the weighted average remaining life of the offtake agreements for the currently contracted projects in our ROFO Portfolio is over 20 years. In addition to making acquisitions from the ROFO Portfolio, we will seek to acquire solar assets with similar long-term contracted cash flow profiles primarily from our Sponsors and in some cases from other third-party developers and owners of solar energy systems.

Capitalize on our Sponsors leading solar O&M and asset management services

We believe we will benefit from our Sponsors vertically integrated business models across the solar value chain. We believe these business models enable our Sponsors to more effectively operate, maintain and manage solar energy projects. For example, First Solar and SunPower have each consistently maintained utility-scale solar energy system availability above 99.5%. Through various O&M agreements and asset management agreements, or AMAs, each Sponsor, subject to oversight by the board of directors of our general partner, will continue to manage and operate all but one of the contributed projects, providing continuity and quality assurance of the O&M services.

Expand into new strategic markets

We intend to capitalize on opportunities to expand into new markets over time. Our ROFO Portfolio contains utility-scale solar energy projects located in the United States, Chile and Japan, and we will consider expanding our portfolio to include new assets in target markets primarily within additional OECD member countries, including Australia, Canada, France, Germany, Mexico and the United Kingdom. Our criteria for entering into new markets will include an assessment of the market s macroeconomic environment, project level economics, demand for solar energy and regulatory policy and legal framework for the solar industry.

Maintain financial flexibility

We have a $525 million senior secured credit facility, consisting of a $300 million term loan facility, a $25 million delayed draw term loan facility and a $200 million revolving credit facility. The full amount of the term loan facility will be outstanding, approximately $11.5 million of letters of credit will be outstanding under our revolving credit facility, and the remaining portion of the revolving credit facility and the delayed draw term loan facility will be undrawn at the closing of this offering. Our ability to borrow under our revolving credit facility and the delayed draw term loan facility and our ability to access the debt and equity capital markets should provide us with the financial flexibility to pursue acquisition opportunities. We will not have any indebtedness at our project subsidiaries at the closing of this offering.

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Competitive Strengths

We believe we are well positioned to successfully execute our business strategies because of the following competitive strengths:

Our visible growth platform

First Solar and SunPower have extensive and global experience developing substantial portfolios of solar assets ranging from small residential DG Solar systems to large utility-scale solar energy projects. Between 2005 and 2014, our Sponsors developed, built or supplied solar modules to approximately 39% of the 18.1 GW of solar power capacity installed in the United States and approximately 11% of the solar power capacity installed in the OECD. This significant market reach has been supported by our Sponsors demonstrated ability to finance project development and construction. Since 2005, our Sponsors have collectively financed the development and construction of over 4.4 GW of solar projects. Our Sponsors have historically sold interests in certain of their solar projects to leading providers of energy services such as Berkshire Hathaway Energy Company and Southern Company, and have raised financing from major financial institutions such as U.S. Bank, PNC Bank and Wells Fargo & Company. We believe our Sponsors significant development capabilities and financial strength will position them to continue to capture a meaningful share of future solar development opportunities. We believe we will be well positioned to benefit from this growth as our Sponsors are our largest shareholders and the owners of our general partner and are therefore incentivized to act in a manner that promotes the growth of our operations and cash distributions.

Our high-quality portfolio

Our Initial Portfolio consists of high-quality, newly constructed assets, with long expected asset lives that are diversified across solar photovoltaic technologies and customer sectors.

Leading technologies. First Solar and SunPower are the respective leaders in thin film and crystalline silicon solar technologies manufactured to the highest quality and environmental standards, with combined research and development experience of over 40 years. Our initial assets, developed by our Sponsors, utilize, or will utilize, these leading technologies described further below.

First Solar technologies. First Solar produces advanced cadmium telluride thin film modules that have a proven energy yield advantage in hot and humid temperature environments due to superior spectral response and temperature coefficient. First Solar modules have been verified by independent engineers and certified to international performance and safety standards by third-party laboratories around the world. First Solar has set 8 new cell conversion efficiency records since 2011 and its production modules have demonstrated the fastest module efficiency improvement of any technology over the past two years.

SunPower technologies. SunPower produces high-performance crystalline silicon solar modules with average conversion efficiencies exceeding 21.5%, making SunPower modules among the most efficient commercially available and particularly well suited for space constrained environments. SunPower modules use a differentiated back-contact cell, which significantly improves performance and reliability. SunPower s modules are manufactured to the highest quality and environmental management standards.

Diversified offtake counterparties. Our portfolio provides power to three customer sectors: utility, C&I and residential. Of our Initial Portfolio, approximately 87% of our generating capacity is under contract with utility-scale customers and 13% of our generating capacity is under contract with C&I or residential customers. We believe that our presence in all three sectors

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allows us to capitalize on the different growth profiles within the solar energy landscape and to maximize our total addressable market.

Recently developed projects. Our Initial Portfolio is comprised of newly developed projects, with three of our utility projects and two of our C&I projects being in the final stages of construction and three of our utility projects and approximately 85% of our residential portfolio attaining COD within the last two years and all of our residential portfolio attaining COD within the last four years. At the closing of this offering, of the six utility-scale projects, four will be operational. Our projects generally have an expected useful economic life of over 30 years. Moreover, all of the projects in our Initial Portfolio employ the leading technologies of our Sponsors.

Our pure play business model

Our Initial Portfolio and ROFO Portfolio are comprised entirely of solar energy projects owned by, to be acquired from, or being developed by, our Sponsors. We believe that concentrating our efforts and focusing our resources on solar energy will enhance our operational efficiency and ability to meet our objective to generate predictable cash distributions that grow at a sustainable rate. In addition, we believe that having our Sponsors as our key module providers and utilizing their leading solar module technology to generate power further maximizes operational benefits and reliability, and differentiates us from our competitors, who utilize generation technology acquired from multiple unrelated module suppliers.

Our strategic relationship with our Sponsors

Our Sponsors interests are highly aligned with ours. Our ability to grow and continually acquire projects from our Sponsors is expected to be an important source of funding for our Sponsors core solar module manufacturing businesses. All of the projects in our Initial Portfolio and ROFO Portfolio were developed, or are being developed, by our Sponsors. In addition, First Solar and SunPower will retain a collective 71.8% limited liability company interest in OpCo and receive distributions on their OpCo units following the forbearance period. In addition, through their ownership of Holdings, our Sponsors hold all of the incentive distribution rights, or IDRs, in OpCo which represent a variable interest in distributions after certain distribution thresholds are met. The IDR mechanism provides a further economic incentive for our Sponsors to facilitate our growth over time.

Predictable and sustainable cash flows

We expect our Initial Portfolio to support a consistent cash flow profile that will serve as a stable base for the growth of our cash distributions over time. The projects in our Initial Portfolio consist of utility-scale and C&I assets that sell substantially all of their output under long-term, fixed-price offtake agreements with investment grade offtake counterparties and residential DG Solar assets that are leased under long-term fixed-price offtake agreements with high credit quality residential customers with FICO scores averaging 765 at the time of initial contract. Furthermore, our O&M costs are expected to be predictable because we have no fuel or feedstock costs and relatively low maintenance costs.

Management and operational expertise

We believe that we have a distinct advantage in having two of the leading vertically integrated solar providers as our Sponsors. Our chief executive officer serves as the chief financial officer of SunPower, and our chief financial officer serves as the chief financial officer of First Solar. Our officers have considerable experience in manufacturing, developing, financing, operating and maintaining solar power

generation assets. Our management team also has access to the other significant management resources of our Sponsors to support the operational, financial, legal and regulatory aspects of our business.

Our Sponsors

First Solar (NASDAQ: FSLR) is a leading global provider of comprehensive photovoltaic solar systems, which use its advanced module and system technology. First Solar develops, finances, engineers, constructs and operates solar power generation assets, with over 10 GW installed worldwide. First Solar s integrated power plant solutions deliver an economically attractive alternative to fossil-fuel electricity generation. From raw material sourcing through end-of-life module recycling, First Solar renewable energy systems protect and enhance the environment. As of March 31, 2015, First Solar had total assets of $6.7 billion.

SunPower (NASDAQ: SPWR) designs, manufactures and delivers the highest efficiency, highest reliability solar panels and systems available today. Residential, business, government and utility customers rely on the company s 30 years of experience. Headquartered in San Jose, California, SunPower has offices in North and South America, Europe, Australia, Africa and Asia. As of March 29, 2015, SunPower had total assets of $4.1 billion. SunPower is majority owned by Total S.A., the fifth largest publicly-listed energy company in the world.

The following is a summary of certain agreements that we will enter into with our Sponsors or their affiliates in connection with this offering. Because of our relationship with our Sponsors, our agreements with our Sponsors or their affiliates may not be as favorable to us as they might have been had we negotiated them with an unaffiliated third party. For a more comprehensive discussion of the agreements that we will enter into with our Sponsors or their affiliates, please read Certain Relationships and Related Party Transactions. For a discussion of the risks related to our relationship with our Sponsors, please read Risk Factors Risks Related to Our Relationship with our Sponsors.

Management Services Agreements. We, our general partner, OpCo and Holdings will enter into a Management Services Agreement, or MSA, with an affiliate of SunPower and a separate, but similar, MSA with an affiliate of First Solar, each, under its respective MSA, a Service Provider, under which:

- the Service Providers will provide or arrange for the provision of administrative and management services for us and certain of our subsidiaries, including managing our day-to-day affairs, which are in addition to those services that are provided under existing O&M agreements and AMAs between affiliates of our Sponsors and certain of our project subsidiaries; and

- OpCo will pay each Service Provider an annual management fee equal to $0.6 million, in the case of the First Solar MSA, and $1.1 million, in the case of the SunPower MSA, which amounts shall be adjusted annually for inflation. Between December 1, 2015 and November 30, 2016, each Service Provider will have a one-time right to increase the management fee by an amount not to exceed 15%. The management fee will be paid in monthly installments.

Please read Certain Relationships and Related Party Transactions Management Services Agreements.

Omnibus Agreement. We will enter into an omnibus agreement, or the Omnibus Agreement, with our Sponsors, our general partner, OpCo and Holdings, under which (i) each Sponsor will be granted an exclusive right to perform certain services not otherwise covered by an O&M agreement or AMA on behalf of the Project Entities contributed by such Sponsor, (ii) with respect to any project in the Initial Portfolio that has not achieved commercial operation as of the closing of this offering, the

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Sponsor who contributed such project will agree to pay to OpCo all costs required to complete such project, as well as certain liquidated damages in the event such project fails to achieve operability pursuant to an agreed schedule, (iii) each Sponsor will agree to certain undertakings on the part of its affiliates who are members of the Project Entities or who provide asset management, construction, operating and maintenance and other services to the Project Entities contributed by such Sponsor, (iv) to the extent a Sponsor continues to post credit support on behalf of a Project Entity after it has been contributed to OpCo, OpCo will agree to reimburse such Sponsor upon any demand or draw under such credit support, and the Sponsor will agree to maintain such support pursuant to the applicable underlying contractual or regulatory requirements, (v) each Sponsor will agree to indemnify OpCo for any costs it incurs with respect to certain tax-related events and events in connection with tax equity financing arrangements, and (vi) the parties will agree to a mutual undertaking regarding confidentiality and use of names, trademarks, trade names and other insignias. Please read Certain Relationships and Related Party Transactions Omnibus Agreement.

ROFO Agreements. Under the terms of the right of first offer agreements, or the ROFO Agreements, between OpCo and each of our Sponsors, the applicable Sponsor will grant OpCo a right of first offer to purchase any of its ROFO Projects in the event of any proposed sale, transfer or other disposition of such ROFO Projects, or any portion thereof, for a period of five years following the completion of this offering. Under the ROFO Agreements, if OpCo exercises the right, each Sponsor will agree to negotiate with OpCo in good faith, for a period of 45 days, to reach agreement on a transaction with respect to any proposed sale of the applicable ROFO Project. Under the ROFO Agreements, however, neither Sponsor will be obligated to sell any of the ROFO Projects. Accordingly, we do not know when, if ever, these projects will be made available to OpCo. The likelihood and timing of OpCo s ability to acquire any ROFO Projects will depend upon, among other things, the determination that the acquisition is appropriate for our business at that particular time, our ability to agree on mutually acceptable terms of purchase, including price, our ability to obtain financing on acceptable terms and our ability to obtain any necessary consents. Please read Certain Relationships and Related Party Transactions ROFO Agreements.

Exchange Agreement. We will enter into an exchange agreement, or Exchange Agreement, with our Sponsors, our general partner and OpCo, under which a Sponsor can tender OpCo common units and an equal number of such Sponsor s Class B shares, together referred to as the Tendered Units, for redemption to OpCo and us. Each Sponsor has the right to receive, at the election of OpCo with the approval of the conflicts committee, either the number of our Class A shares equal to the number of Tendered Units or a cash payment equal to the number of Tendered Units multiplied by the then current trading price of our Class A shares. In addition, we have the right but not the obligation, to directly purchase such Tendered Units for, subject to the approval of our conflicts committee, cash or our Class A shares at our election. Please read Certain Relationships and Related Party Transactions Exchange Agreement.

Registration Rights Agreement. We will enter into a registration rights agreement, or Registration Rights Agreement, with our Sponsors and certain of their respective affiliates under which each Sponsor and its affiliates will be entitled to demand registration rights, including the right to demand that a shelf registration statement be filed, and piggyback registration rights, for our Class A shares that it acquires. Please read Certain Relationships and Related Party Transactions Registration Rights Agreement.

Equity Purchase Agreement. We will enter into an equity purchase agreement, or Equity Purchase Agreement, with OpCo, under which we will use all of the net proceeds of this offering to purchase 20,000,000 of OpCo s common units from OpCo and OpCo will issue a non-economic managing member interest to us. OpCo will use the funds it receives under the Equity Purchase

Agreement to make distributions to our Sponsors and for general purposes, including to fund future acquisition opportunities. Please read Certain Relationships and Related Party Transactions Equity Purchase Agreement.

Our Sponsors Joint Venture

In March 2015, First Solar and SunPower agreed to form, subject to certain closing conditions, Holdings as a joint venture to indirectly own, operate and acquire solar power generation assets. Holdings is the sole owner of our general partner and, upon the closing of this offering, will own all of the IDRs in OpCo. Through its ownership of our general partner, Holdings will have the right to appoint all of the board members and will cause our general partner s board of directors to appoint certain officers of our general partner and certain of our subsidiaries. In addition, Holdings will have certain approval rights over material decisions related to our and OpCo s management. For a summary of such rights, please read Prospectus Summary Management.

Our Sponsors have established an economic and governance structure that is intended to incentivize each of them to perform their respective obligations to the joint venture, including offering additional projects for acquisition or providing services to the joint venture. First Solar and SunPower each own a 50% economic interest and a 50% voting interest in Holdings, both of which may be subject to adjustment over time. Commencing December 1, 2019, each Sponsor s relative economic interest in Holdings, the owner of our IDRs, will be subject to annual adjustment based on the relative performance of the projects such Sponsor contributes or sells to us, including any solar energy projects contributed or sold after the closing of this offering. Our Sponsors expect to coordinate offers of assets to us in a manner designed to enable us to achieve our targeted growth rate, which will be subject to ongoing adjustment by our Sponsors. Such contributions are designed to keep each Sponsor s respective economic ownership in us largely equal over time. In addition, each Sponsor s respective voting interests in Holdings will be subject to a one-time adjustment, giving one Sponsor primary control of the management of Holdings and us, in the event such Sponsor has sustained ownership of a substantial majority of the relative economic interest in Holdings for an agreed period. Please read Certain Relationships and Related Party Transactions Limited Liability Company Agreement of Holdings.

Subject to oversight by the board of directors of our general partner, each Sponsor, through various O&M agreements and AMAs, will continue to operate and manage projects it contributes or sells to OpCo, except in circumstances where a project is already operated by an unaffiliated third party pursuant to an existing agreement. Please read Certain Relationships and Related Party Transactions O&M Agreements and Certain Relationships and Related Party Transactions Asset Management Agreements. In addition, our general partner s board of directors will have a two-member project operations committee, consisting of one non-independent director appointed by First Solar and one non-independent director appointed by SunPower, that will be delegated the authority to make certain decisions related to the operation of our projects, including in respect of annual budgets, project financings, asset dispositions and certain other material transactions.

Implications of Being an Emerging Growth Company

As our predecessor had less than $1 billion in revenues during its last fiscal year, we qualify as an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of specified exemptions from

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reporting and other regulatory requirements that are otherwise applicable generally to public companies. These exemptions include:

- the initial presentation of two years of audited financial statements and two years of related Management s Discussion and Analysis of Financial Condition and Results of Operations in the registration statement of an initial public offering of common equity securities;

- exemption from the auditor attestation requirement on the effectiveness of our system of internal controls over financial reporting;

- delayed adoption of new or revised financial accounting standards; and

- reduced disclosure about our executive compensation arrangements.

We may take advantage of these provisions until we are no longer an emerging growth company, which will occur on the earliest of (i) the last day of the fiscal year following the fifth anniversary of this offering, (ii) the last day of the fiscal year in which we have more than $1 billion in annual revenues, (iii) the last day of the fiscal year in which we have more than $700 million in market value of our Class A shares held by non-affiliates as of the end of our fiscal second quarter or (iv) the date on which we have issued more than $1 billion of non-convertible debt over a three-year period.

We have elected to take advantage of all of the applicable JOBS Act provisions, except that we have elected to opt out of the exemption that allows emerging growth companies to extend the transition period for complying with new or revised financial accounting standards, which election is irrevocable. Accordingly, the information that we provide you may be different than what you may receive from other public companies in which you hold equity interests.

Risk Factors

An investment in our Class A shares involves risks. For more information about these risks, please read Risk Factors. You should consider carefully these risk factors together with all of the other information included in this prospectus before you decide whether to invest in our Class A shares. These risks include, but are not limited to, the following:

Risks Related to Our Business

- OpCo may not have sufficient cash available for distribution following the establishment of cash reserves and payment of fees and expenses, including cost reimbursements and fees to our general partner and its affiliates, to enable it to pay the minimum quarterly distribution on all its units, and therefore we may not have sufficient cash available for distribution to pay the initial quarterly distribution to our Class A shareholders.

- On a pro forma basis, we would not have had sufficient cash available for distribution to pay any distributions on our Class A shares for the twelve months ended March 29, 2015 or for the year ended December 28, 2014.

We have a limited operating history and our projects may not perform as we expect.

Initially, we will depend on certain projects in our Initial Portfolio, which have yet to achieve commercial operation, for a substantial portion of our anticipated cash flows.

Risks Related to Our Acquisition Strategy and Future Growth

We may not be successful in implementing our growth strategy of making accretive acquisitions of additional solar energy projects.

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Our Sponsors failure to complete the development of the First Solar ROFO Projects and the SunPower ROFO Projects or project developers , including our Sponsors , failure to develop other solar energy projects, including those opportunities that are part of our Sponsors development pipeline, could have a significant effect on our ability to grow.

Our inability to acquire additional solar energy projects due to our Sponsors decision to keep projects that they develop, competing bids from third parties for a solar energy project, our inability to agree on terms with the developer of a solar energy project, including our Sponsors, or our inability to arrange the required or desired financing for such acquisitions could have a significant effect on our ability to grow.

Even if we consummate acquisitions that we believe will be accretive to cash available for distribution per Class A share, those acquisitions may decrease the cash available for distribution per Class A share as a result of incorrect assumptions in our evaluation of such acquisitions, unforeseen consequences or other external events beyond our control.

Risks Related to Regulations

Our projects may be adversely affected by legislative changes or a failure to comply with applicable energy regulations.

Risks Related to Our Project Agreements

We rely on a limited number of offtake counterparties and we are exposed to the risk that they are unwilling or unable to fulfill their contractual obligations to us or that they otherwise terminate their offtake agreements with us.

Certain of the offtake agreements in our Initial Portfolio and offtake agreements that we may enter into in the future contain or may contain provisions that allow the offtake counterparty to terminate the agreement or buyout all or a portion of the asset upon the occurrence of certain events. If these provisions are exercised and we are unable to enter into an offtake agreement on similar terms, in the case of a termination, or find suitable replacement assets to invest in, in the case of a buyout, our cash available for distribution could materially decline.

Risks Related to Our Financial Activities

Our level of indebtedness or restrictions in the new credit facilities of OpCo could adversely affect our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

Risks Related to Our Relationship with Our Sponsors

Since the economic and management rights of First Solar and SunPower are impacted by the performance of our business in different ways, First Solar and SunPower may fail to agree on our management, which could adversely affect our ability to execute our business plan.

Our general partner and its affiliates, including our Sponsors, have conflicts of interest with us and limited duties to us and our Class A shareholders, and they may favor their own interests to the detriment of us and our Class A shareholders.

Our Sponsors and other affiliates of our general partner are not restricted in their ability to compete with us.

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Risks Related to this Offering and Ownership of Our Class A Shares

- Holders of our Class A shares have limited voting rights and are not entitled to elect our general partner or its directors.

- Our partnership agreement restricts the remedies available to holders of our Class A shares for actions taken by our general partner that might otherwise constitute breaches of fiduciary duties.

- Our partnership agreement replaces our general partner s fiduciary duties to holders of our Class A shares with contractual standards governing its duties.

- Class A shareholders will experience immediate and substantial dilution in as adjusted net tangible book value of $15.01 per Class A share.

Risks Related to Taxation

- Our future tax liability may be greater than expected if we do not generate net operating losses, or NOLs, sufficient to offset taxable income or if tax authorities challenge certain of our tax positions.

- Our ability to use NOLs and NOL carryforwards to offset future income may be limited.

- Distributions to Class A shareholders may be taxable as dividends.

Formation Transactions

In March 2015, First Solar and SunPower entered into a master formation agreement to form a joint venture to indirectly own, operate and acquire solar energy systems. Such master formation agreement provided for the formation of Holdings, us and our general partner.

Prior to the closing of this offering, the following transactions will occur (or have occurred):

- SunPower will form OpCo and will own 100% of the limited liability company interests therein;

- Holdings will issue to each of our Sponsors management and economic units representing 50% voting and economic ownership interest in Holdings;

- our general partner will issue 100% of its limited liability company interests to Holdings;

we will issue a non-economic general partner interest to our general partner;

SunPower will contribute to OpCo, through three tax equity transactions and a merger into an OpCo subsidiary, a nearly 100% interest in each of the SunPower Project Entities, subject, in the case of the Quinto Project, the RPU Project, the UC Davis Project and the Macy s Project, to the tax equity investor s right to a varying portion of the cash flows from the projects; and

OpCo will enter into a new $525 million senior secured credit facility, consisting of a $300 million term loan facility, a $25 million delayed draw term loan facility and a $200 million revolving credit facility. The funding of the senior secured credit facility will be conditioned upon the completion of this offering. The full amount of the term loan facility will be outstanding, approximately $11.5 million of letters of credit will be outstanding under our revolving credit facility, and the remaining portion of the revolving credit facility and the delayed draw term loan facility will be undrawn at the closing of this offering.

Concurrently with the closing of this offering, the following transactions will occur:

First Solar will contribute to OpCo a 49% indirect economic interest in each of the Lost Hills Blackwell Project, the North Star Project and the Solar Gen 2 Project, respectively;

First Solar will contribute to OpCo a 100% interest in the Maryland Solar Project Entity, upon which the Maryland Solar Project Entity will lease the Maryland Solar Project to Maryland Solar Holdings, Inc., a subsidiary of First Solar, for a lease term that will expire on December 31, 2019;

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we will issue 20,000,000 of our Class A shares (or 23,000,000 Class A shares if the underwriters exercise in full their option to purchase additional Class A shares) to the public in this offering in exchange for net proceeds of approximately $393.8 million (or approximately $452.8 million if the underwriters exercise in full their option to purchase additional Class A shares), after deducting the underwriting discount and the structuring fee;

OpCo will retain $37.8 million of the net proceeds it receives from us for general purposes;

under the Purchase Agreement with OpCo, we will use all of the net proceeds from this offering to purchase from OpCo 20,000,000 OpCo common units (or 23,000,000 OpCo common units if the underwriters exercise in full their option to purchase additional Class A shares), OpCo will issue a non-economic managing member interest to us and OpCo will retain a portion of these net proceeds for general purposes, including to fund future acquisition opportunities;

OpCo will use (i) $201.6 million of the net proceeds it receives from us and $168.9 million of the net proceeds from the term loan facility to make a distribution to SunPower and (ii) $154.4 million of the net proceeds it receives from us and $129.4 million of the net proceeds from the term loan facility to make a distribution to First Solar;

we will issue to SunPower 28,883,075 Class B shares, representing a 40.7% voting interest in us, and OpCo, in connection with the contribution by First Solar and the purchase of common units by us, will recapitalize its membership interests held by SunPower into 8,778,190 OpCo common units and 20,104,885 OpCo subordinated units, representing a 40.7% economic interest in OpCo;

we will issue to First Solar 22,116,925 Class B shares, representing a 31.1% voting interest in us, and OpCo, in connection with the contribution by First Solar and the purchase of common units by us, will issue to First Solar 6,721,810 OpCo common units and 15,395,115 OpCo subordinated units, representing a 31.1% economic interest in OpCo;

OpCo will issue all of the incentive distribution rights to Holdings;

we, our general partner and OpCo will enter into an Exchange Agreement with our Sponsors;

we will enter into a Registration Rights Agreement with our Sponsors;

we, our general partner, Holdings and OpCo will enter into the Management Services Agreements with each of our Sponsors;

- OpCo will enter into the ROFO Agreements with each of our Sponsors; and

- we, our general partner, Holdings and OpCo will enter into an Omnibus Agreement with our Sponsors.

In addition, we have granted the underwriters a 30-day option to purchase up to an aggregate of 3,000,000 additional Class A shares. The number of OpCo common units to be issued to the Sponsors includes OpCo common units that will be issued at the expiration of the underwriters option to purchase additional Class A shares, assuming that the underwriters do not exercise the option. Any exercise of the underwriters option to purchase additional Class A shares would reduce the number of OpCo common units and Class B shares issued to the Sponsors by the number of Class A shares purchased by the underwriters in connection with such exercise. If and to the extent that the underwriters exercise their option to purchase additional Class A shares, the proceeds thereof will be used by us to purchase an equal number of common units of OpCo, and a number of additional OpCo common units and Class B shares equal to the number of Class A shares subject to the option not purchased by the underwriters will be issued to the Sponsors at the expiration of the option period for no additional consideration. OpCo will use the proceeds of any exercise of the underwriters option contributed to it to make an additional distribution to our Sponsors. All of the foregoing transactions are collectively referred to herein as the Formation Transactions.

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Organizational Structure After the Formation Transactions

The following diagram depicts our simplified organizational and ownership structure after giving effect to the Formation Transactions and this offering.

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Management

8point3 General Partner, LLC, our general partner, will manage our business and operations. The board of directors and executive officers of our general partner will oversee our operations and make decisions on our behalf. Certain officers of our Sponsors also serve as executive officers or directors of our general partner. Through its ownership of our general partner, Holdings will cause our general partner s board of directors to appoint a Chief Executive Officer selected by SunPower and a Chief Financial Officer selected by First Solar. Each such officer will serve a two-year term. Upon the completion of such term, First Solar will have the right to select our Chief Executive Officer for appointment by the board of directors of our general partner and SunPower will have the right to select the Chief Financial Officer for appointment by the board of directors of our general partner. The right to select these officers for appointment by the board of directors of our general partner will rotate between our Sponsors every two years, upon the expiration of such officer s term. Neither First Solar nor SunPower is obligated to exercise its right to remove and replace such executive officers.

Unlike shareholders in a publicly traded corporation, our shareholders will not be entitled to elect our general partner or its directors. First Solar and SunPower will each have the right to designate two members of the board of directors of our general partner, with any additional members of our board of directors being designated collectively by First Solar and SunPower. At the closing of this offering, our general partner will have three directors who are independent as defined under the independence standards established by the NASDAQ. For information about the executive officers and directors of our general partner, please read Management.

Summary of Conflicts of Interests and Duties

While we believe our relationship with our Sponsors and their subsidiaries is a significant competitive advantage, it is also a source of potential conflicts. As described above, our Sponsors or certain of their affiliates will provide certain services to us, including managing our day-to-day affairs and providing individuals to act as our general partner s executive officers and directors. These executive officers may help our general partner s board of directors evaluate potential acquisition opportunities presented by our Sponsors under the ROFO Agreements. In addition, our general partner has a duty to manage us in a manner it subjectively believes is in, or not adverse to, our best interests. However, our general partner s executive officers and directors also have duties to manage our general partner in a manner beneficial to its owner, Holdings, which is owned by First Solar and SunPower. As a result, conflicts of interest may arise between us and our shareholders, on the one hand, and our Sponsors and our general partner, on the other hand. Delaware law provides that Delaware limited partnerships may, in their partnership agreements, expand, restrict or eliminate the fiduciary duties otherwise owed by a general partner to limited partners and the partnership. Our partnership agreement contains various provisions replacing the fiduciary duties that would otherwise be owed by our general partner with contractual standards governing the duties of our general partner and the methods of resolving conflicts of interest. The effect of these provisions is to restrict the remedies available to our shareholders for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty. Our partnership agreement also provides that affiliates of our general partner, including our Sponsors and their other subsidiaries and affiliates, are permitted to compete with us. By purchasing a Class A share, an investor becomes bound by the provisions of our partnership agreement and each holder of our Class A shares is treated as having consented to various actions and potential conflicts of interest contemplated in our partnership agreement that might otherwise be considered a breach of fiduciary or other duties under Delaware state law. For a more detailed description of the potential conflicts of interest between us and our general partner and its affiliates, including our Sponsors, please read Risk Factors Risks Related to Our Relationship with Our Sponsors and Conflicts of Interest and Duties.

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Principal Executive Offices and Internet Address

Our principal executive offices are located at 77 Rio Robles, San Jose, California 95134, and our telephone number is (408) 240-5500. Our website is located at www.8point3energypartners.com and will be activated immediately following this offering. We expect to make available our periodic reports and other information filed with or furnished to the U.S. Securities and Exchange Commission, or the SEC, free of charge through our website as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference herein and does not constitute a part of this prospectus.

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The Offering

Class A shares offered to the public	20,000,000 Class A shares.
	23,000,000 Class A shares if the underwriters exercise in full their option to purchase additional Class A shares from us.
Class B shares	First Solar will own 22,116,925 Class B shares, or 20,815,930 Class B shares if the underwriters exercise in full their option to purchase additional Class A shares from us.
	SunPower will own 28,883,075 Class B shares, or 27,184,070 Class B shares if the underwriters exercise in full their option to purchase additional Class A shares from us.
Option to purchase additional shares	We have granted the underwriters a 30-day option to purchase up to an additional Class A shares.
Shares outstanding after this offering	20,000,000 Class A shares (23,000,000 Class A shares if the underwriters exercise in full their option to purchase additional Class A shares from us), which represents 100% of the economic limited partner interests in 8point3 Partners, and 51,000,000 Class B shares (48,000,000 Class B shares if the underwriters exercise in full their option to purchase additional Class A shares from us).
Use of proceeds	We will receive approximately $393.8 million of net proceeds from the sale of Class A shares offered hereby based upon the assumed initial public offering price of $21.00 per Class A share, after deducting the underwriting discount and the structuring fee but before offering expenses (which will be paid by our Sponsors). If the underwriters exercise their option to purchase additional Class A shares in full, the net proceeds to us will be approximately $452.8 million, after deducting the underwriting discount and the structuring fee but

before offering expenses (which will be paid by our Sponsors).

We intend to use all of the net proceeds of this offering to purchase 20,000,000 OpCo common units from OpCo. OpCo intends to use (i) approximately $154.4 million of such net proceeds to make a cash distribution to First Solar, (ii) approximately $201.6 million of such net proceeds to make a cash distribution to SunPower and (iii) approximately $37.8 million of such net proceeds for general purposes, including

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to fund future acquisition opportunities. If and to the extent that the underwriters exercise their option to purchase additional Class A shares, the proceeds thereof will be used by us to purchase a number of OpCo common units equal to the number of Class A shares purchased pursuant to the option. A number of additional OpCo common units and Class B shares equal to the number of Class A shares subject to the option not purchased by the underwriters will be issued to the Sponsors at the expiration of the option period for no additional consideration. OpCo will use the proceeds contributed to it to make an additional distribution to the Sponsors. Please read Use of Proceeds.

After the application of the net proceeds from this offering, we will own a 28.2% limited liability company interest in OpCo (or a 32.4% limited liability company interest if the underwriters exercise in full their option to purchase additional Class A shares).

Cash distributions

We expect to pay an initial quarterly distribution of \$0.2097 per Class A share, after incorporating the effects of the distribution forbearance described below, based on the fact that we will own the same number of OpCo common units as the number of our Class A shares outstanding and our expectation that OpCo will make a minimum quarterly distribution equal to \$0.2097 per OpCo common and subordinated unit, to the extent it has sufficient cash after the establishment of cash reserves and the payment of expenses, including payments to our general partner and our Sponsors, in each case subject to various restrictions and other factors described in Our Cash Distribution Policy and Restrictions on Distributions. OpCo will pay all of our expenses, including the expenses we expect to incur as a result of being a publicly traded entity, other than U.S. federal income tax expense. We do not expect to be required to pay U.S. federal income tax for a period of approximately ten years. Please read Risk Factors Risks Related to Taxation Our future tax liability may be greater than expected if we do not generate NOLs sufficient to offset taxable income or if tax authorities challenge certain of our tax positions.

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We and OpCo will make quarterly distributions, if any, within 45 days after the end of each quarter, on or about the 15th day of each January, April, July and October to holders of record on or about the first day of each such month. For the fiscal quarter in which this offering closes, we intend to pay a prorated distribution on our Class A shares covering the period from the completion of this offering through August 31, 2015, based on the actual length of that period.

The OpCo limited liability company agreement provides for distributions of available cash from operating surplus each quarter in the following manner:

first, 100% to the holders of OpCo common units until each OpCo common unit has received a minimum quarterly distribution of $0.2097 plus any arrearages from prior quarters;

second, 100% to the holders of OpCo subordinated units until each OpCo subordinated unit has received a minimum quarterly distribution of $0.2097; and

third, 100% to all OpCo unitholders, pro rata, until each OpCo unit has received a distribution of $0.31455.

If cash distributions to the OpCo unitholders exceeds $0.31455 per OpCo common and subordinated unit in any quarter, Holdings will receive increasing percentages, up to 50%, of the cash OpCo distributes in excess of that amount. We refer to the right to these distributions as incentive distribution rights because they incentivize our Sponsors to increase distributions to the OpCo unitholders. In certain circumstances, Holdings, as the initial holder of the OpCo incentive distribution rights, has the right to reset the target distribution levels described above to higher levels based on OpCo cash distributions at the time of the exercise of this reset election. Please read Provisions of Our Partnership Agreement and the OpCo Limited Liability Company Agreement Relating to Cash Distributions.

If we do not otherwise have sufficient available cash at the end of each quarter, we or OpCo may, but are under no obligation to, borrow funds to pay distributions to our Class A shareholders or OpCo s unitholders. Neither we nor OpCo has

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a legal obligation to pay distributions at our initial quarterly distribution rate, the minimum quarterly distribution rate or at any other rate.

Under the OpCo limited liability company agreement, OpCo will reimburse our general partner and its affiliates, including our Sponsors, for costs and expenses they incur and payments they make on our behalf. Pursuant to the Management Services Agreements, we will pay an aggregate annual fee of $1.7 million to our Sponsors for general and administrative, or G&A services, which is subject to a one-time right to increase by each Sponsor in an amount not to exceed 15%. In addition, we expect to incur $3.3 million of incremental G&A expense annually as a result of being a publicly traded limited partnership. OpCo will make each of these payments prior to OpCo making any distributions on its common and subordinated units. Please read Certain Relationships and Related Party Transactions Management Services Agreements.

The amount of cash available for distribution OpCo must generate to support the payment of the minimum quarterly distribution on OpCo s common and subordinated units and the initial quarterly distribution on our Class A shares, in each case to be outstanding immediately after this offering, for four quarters is approximately $59.6 million (or approximately $14.9 million per quarter).

If we had completed the Formation Transactions, including this offering, on December 30, 2013, OpCo s unaudited pro forma cash available for distribution for the twelve months ended March 29, 2015 and for the year ended December 28, 2014 would have been a deficit of approximately $4.1 million and $1.0 million, respectively. Therefore, OpCo would have been unable to pay any distributions on its units, and we would have been unable to pay any distributions on our Class A shares, for the twelve months ended March 29, 2015 or for the year ended December 28, 2014.

We believe, based on our financial forecast and related assumptions included in Our Cash Distribution Policy and Restrictions on Distributions Estimated Cash Available for

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Distribution for the twelve-month periods ending May 31, 2016 and May 31, 2017, and after incorporating the effects of the distribution forbearance described below, we will generate sufficient cash available for distribution to support the payment of our initial quarterly distribution of $0.2097 per share (or $0.8388 per share on an annualized basis) on all of our Class A shares. However, we do not have a contractual obligation to pay quarterly distributions and we might not pay quarterly distributions to our Class A shareholders in any quarter. Our actual results of operations, cash flows and financial condition during the forecast period may vary from the forecast, and there is no guarantee that we will make quarterly cash distributions to our Class A shareholders at the initial quarterly distribution rate or at all. Please read Our Cash Distribution Policy and Restrictions on Distributions.

Distribution forbearance provisions	Our Sponsors have agreed to forego any distributions declared on their common and subordinated units of OpCo during the forbearance period. The amount of distributions to be foregone by the Sponsors, assuming OpCo declares the minimum quarterly distribution per unit, will be $10.7 million per fiscal quarter (or $10.1 million if the underwriters exercise their option to purchase additional Class A shares in full). The purpose of this forbearance is to reduce the risk that the holders of Class A shares will not receive the full initial quarterly distribution as a result of certain solar energy projects not reaching COD until after the closing of the offering. The forbearance period will end in the fiscal quarter commencing on or after March 1, 2016 that the board of directors of our general partner, with the concurrence of the conflicts committee, determines that OpCo will be able to earn and pay at least the minimum quarterly distribution on each of its outstanding common and subordinated units for such quarter and the successive quarter.
OpCo subordinated units	Our Sponsors will initially own all of the OpCo subordinated units. The principal difference between the OpCo common and subordinated units is that for any quarter during the subordination period, the OpCo subordinated units will not be entitled to receive any distribution of available cash from operating surplus until the

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OpCo common units have received the minimum quarterly distribution from operating surplus for such quarter plus any arrearages in the payment of the minimum quarterly distribution from operating surplus from prior quarters. OpCo subordinated units will not accrue arrearages nor will OpCo common units held by our Sponsors with respect to the forbearance period. During the forbearance period, our Sponsors common and subordinated units in OpCo will not be treated as outstanding for purposes of calculating the earn and pay tests that determine the duration of the subordination period and that are described in Provisions of Our Partnership Agreement and the OpCo Limited Liability Company Agreement Relating to Cash Distributions Provisions of the OpCo Limited Liability Company Agreement Relating to Cash Distributions Subordination Period.

Conversion of OpCo subordinated units

The subordination period will end on the first business day after we have earned and paid an aggregate amount of at least $0.8388 (the minimum quarterly distribution on an annualized basis) multiplied by the total number of outstanding common and subordinated units for each of three consecutive, non-overlapping four-quarter periods ending on or after August 31, 2018 and there are no outstanding arrearages on our common units.

Notwithstanding the foregoing, the subordination period will end on the first business day after we have paid an aggregate amount of at least $1.2582 (150.0% of the minimum quarterly distribution on an annualized basis) multiplied by the total number of outstanding common and subordinated units and we have earned that amount plus the related distribution on the incentive distribution rights, for any four-quarter period ending on or after August 31, 2016 and there are no outstanding arrearages on our common units.

When the subordination period ends, all subordinated units will convert into common units on a one-for-one basis, and all common units will thereafter no longer be entitled to arrearages.

Issuance of additional shares

Our partnership agreement authorizes us to issue an unlimited number of additional Class A shares and other partnership interests without the approval of our shareholders. Our shareholders

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	(other than our Sponsors and their affiliates) will not have preemptive or participation rights to purchase their pro rata share of any additional shares issued. Please read Shares Eligible for Future Sale and Material Provisions of the 8point3 Partners Partnership Agreement Issuance of Additional Partnership Interests.
Limited voting rights	Our general partner will manage and operate us. Unlike the holders of common stock in a corporation, our shareholders will have only limited voting rights on matters affecting our business. Our shareholders will have no right to elect our general partner or its directors on an annual or other continuing basis. Our general partner may not be removed except by a vote of the holders of at least 66 2/3% of the outstanding shares, including any shares owned by our general partner and its affiliates, voting together as a single class. In addition, any vote to remove our general partner during the subordination period must provide for the election of a successor general partner by the holders of a majority of the Class A shares and a majority of the Class B shares, voting as separate classes. Upon the closing of this offering, our Sponsors will own Class B shares equal to an aggregate of 71.8% of our Class A and Class B shares. This will give our Sponsors the ability to prevent the removal of our general partner. Please read Material Provisions of the 8point3 Partners Partnership Agreement Meetings; Voting Rights.
Limited call right	If at any time our general partner and its affiliates own more than 80% of the aggregate of the number of Class A shares then outstanding and the number of Class B shares equal to the number of OpCo common units owned by the Sponsors partner and their affiliates, our general partner will have the right, at its option, which it may assign in whole or in part to us or an affiliate, to purchase all, but not less than all, of the remaining Class A shares at a price not less than the then-current market price of the Class A shares, as calculated in accordance with our partnership agreement.
Certain U.S. federal income tax consequences	Even though we are organized as a limited partnership under state law, we will be treated as a corporation for U.S. federal income tax purposes. Accordingly, we will be subject to U.S.

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	federal income tax at regular corporate rates on our net taxable income. We expect to generate NOLs that we can use to offset future taxable income. As a result, we do not expect to pay meaningful U.S. federal income tax for a period of approximately ten years. This estimate is based upon assumptions we have made regarding, among other things, OpCo s income, capital expenditures, cash flows, net working capital and cash distributions, and it ignores the effect of any possible acquisitions of additional assets, including the ROFO Projects. For a discussion of U.S. federal and estate tax consequences to non-U.S. holders, please read Risk Factors Risks Related to Taxation Our future tax liability may be greater than expected if we do not generate NOLs sufficient to offset taxable income or if tax authorities challenge certain of our tax positions and Certain U.S. Federal Income and Estate Tax Consequences to Non-U.S. Holders.
Exchange listing	We have been approved to list our Class A shares on the NASDAQ Global Select Market, or the NASDAQ, under the symbol CAFD.

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SUMMARY HISTORICAL AND PRO FORMA FINANCIAL DATA

The following table sets forth summary combined carve-out financial data of our predecessor and summary pro forma financial data of 8point3 Energy Partners LP as of and for the periods indicated. The combined carve-out financial statements of our predecessor as of March 29, 2015, March 30, 2014, December 28, 2014 and December 29, 2013, for the three months ended March 29, 2015 and March 30, 2014, and for the years ended December 28, 2014 and December 29, 2013, appearing elsewhere in this prospectus were prepared on a carve-out basis which comprises contracted solar energy projects and leased solar energy systems that have historically been owned by SunPower. The predecessor is not an existing stand-alone legal entity; rather it is a combination of currently operating leased solar energy systems and solar energy projects currently under construction that have long-term offtake agreements, all of which are currently owned by SunPower. The combined carve-out financial statements are intended to represent the financial results during those periods of SunPower s contracted solar energy projects and leased solar energy systems in the United States that will be contributed to OpCo as part of the Formation Transactions. The following summary historical combined carve-out financial and operating data presents all of the projects and operations of our predecessor.

Upon the completion of this offering, we will own a controlling non-economic managing member interest in OpCo, and a 28.2% limited liability company interest in OpCo (assuming no exercise of the underwriters option to purchase additional Class A shares) and our Sponsors will collectively own a non-controlling 71.8% limited liability company interest in OpCo (assuming no exercise of the underwriters option to purchase additional Class A shares). However, as required by U.S. GAAP, we will continue to consolidate 100% of the assets and operations of OpCo in our financial statements and reflect a non-controlling interest.

The summary unaudited pro forma financial data has been derived by the application of pro forma adjustments to the historical combined carve-out financial statements of our predecessor included elsewhere in this prospectus. The pro forma balance sheet assumes that the Formation Transactions and this offering occurred as of March 29, 2015 and the pro forma statements of operations data for the three months ended March 29, 2015 and for the year ended December 28, 2014 assume that the Formation Transactions and this offering, with respect to share and per share information, occurred as of December 30, 2013.

The unaudited pro forma condensed consolidated financial statements reflect the following significant assumptions and Formation Transactions related to this offering:

- the issuance by us of an aggregate of 28,883,075 Class B shares and the issuance by OpCo of an aggregate of 8,778,190 OpCo common units and 20,104,885 OpCo subordinated units to SunPower in connection with the reorganization of OpCo;

- the contribution by First Solar of the First Solar Project Entities in exchange for an aggregate of 22,116,925 Class B shares, 6,721,810 OpCo common units, 15,395,115 OpCo subordinated units and the right to receive a portion of the proceeds of this offering;

- the issuance by us of 20,000,000 Class A shares in this offering for net proceeds of $393.8 million;

the use by us of all of the net proceeds of this offering to purchase from OpCo 20,000,000 OpCo common units, resulting in our owning a 28.2% interest in OpCo, and the use by OpCo of the net proceeds it receives from us to make a distribution to First Solar of $154.4 million and to make a distribution to SunPower of $201.6 million, with the remaining $37.8 million of net proceeds OpCo receives from us to be used for general purposes, including to fund future acquisition opportunities;

the issuance by OpCo of all of the incentive distribution rights to Holdings;

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the issuance by OpCo of a non-economic managing member interest to us; and

the entrance into of a $525 million senior secured credit facility, consisting of a $300 million term loan facility, a $25 million delayed draw term loan facility and a $200 million revolving credit facility, of which the full amount of the term loan facility will be outstanding, approximately $11.5 million of letters of credit will be outstanding under our revolving credit facility, and the remaining portion of the revolving credit facility and the delayed draw term loan facility will be undrawn at the closing of this offering, the distribution of the proceeds from the term loan facility to our Sponsors and the issuance costs associated with entering into such facility.

The combined carve-out financial statements of our predecessor, from which the summary unaudited pro forma financial data have been derived, are presented in U.S. dollars and have been prepared in accordance with U.S. GAAP.

8point3 Partners has not yet commenced operations and has no significant assets or liabilities.

The following table should be read together with, and is qualified in its entirety by reference to, the combined carve-out financial statements and the accompanying notes included elsewhere in this prospectus. Among other things, the combined carve-out financial statements include more detailed information regarding the basis of presentation for the information in the following table. The table should also be read together with Management s Discussion and Analysis of Financial Condition and Results of Operations. The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. Our summary unaudited pro forma financial information does not purport to represent what our results of operations or financial position would have been if we operated as a publicly traded partnership during the period presented and may not be indicative of our future performance.

(In thousands)	Pro Forma As Adjusted Three Months Ended March 29, 2015	Historical Three Months Ended March 29, 2015	Historical Three Months Ended March 30, 2014	Pro Forma As Adjusted Year Ended December 28, 2014	Historical Year Ended December 28, 2014	Historical Year Ended December 29, 2013
Statement of Operations Data:						
Revenues:						
Operating revenues	$ 3,138	$ 2,134	$ 2,469	$ 12,310	$ 9,231	$ 24,489
Total revenues	3,138	2,134	2,469	12,310	9,231	24,489
Operating costs and expenses:						
Cost of operations	2,121	2,058	299	(2,576)	(3,195)	13,111
Cost of operations-parent	234	234	234	937	937	928
Selling, general and administrative	2,941	3,279	642	6,232	4,818	4,272
Depreciation, amortization and accretion	1,267	730	807	3,414	2,339	3,224

Total operating costs and expenses	6,563	6,301	1,982	8,007	4,899	21,535
Operating income (loss)	(3,425)	(4,167)	487	4,303	4,332	2,954
Interest expense	2,972	1,045	1,392	11,886	5,525	6,751
Other expense (income)	3,948	3,948				
Loss before income taxes	(10,345)	(9,160)	(905)	(7,583)	(1,193)	(3,797)
(Provision for) benefit from income taxes	(6)	(6)	(17)	(23)	(23)	(30)
Equity in earnings of unconsolidated investees, net of tax	767			(776)		
Net income (loss)	(9,584)	(9,166)	(922)	(8,382)	(1,216)	(3,827)
Less net income (loss) attributable to noncontrolling interests	(6,884)			(6,020)		
Net income (loss) attributable to 8point3 Partners	$ (2,700)	$ (9,166)	$ (922)	$ (2,362)	$ (1,216)	$ (3,827)
Basic net income (loss) per share	$ (0.13)			$ (0.12)		

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(In thousands)	Pro Forma As Adjusted Three Months Ended March 29, 2015	Historical Three Months Ended March 29, 2015	Historical Three Months Ended March 30, 2014	Pro Forma As Adjusted Year Ended December 28, 2014	Historical Year Ended December 28, 2014	Historical Year Ended December 29, 2013
Balance Sheet Data (at period end):						
Property and equipment, net	$ 292,241	$ 235,743	N/A	N/A	$ 158,208	$ 100,010
Total assets	$ 772,914	$ 325,526	N/A	N/A	$ 247,969	$ 200,565
Long-term debt and financing obligations	$ 297,560	$ 128,841	N/A	N/A	$ 91,183	$ 31,545
Total equity	$ 425,457	$ 127,690	N/A	N/A	$ 127,510	$ 139,933
Cash Flow Data:						
Net cash provided by (used in)						
Operating activities	N/A	$ (2,214)	$ 1,310	N/A	$ 1,801	$ 5,380
Investing activities	N/A	$ (66,655)	$ (7,370)	N/A	$ (55,231)	$ (8,082)
Financing activities	N/A	$ 68,869	$ 6,060	N/A	$ 53,430	$ 2,702
Other Financial Data:						
EBITDA(1)	$ (5,339)	$ (7,385)	$ 1,294	$ 6,941	$ 6,671	$ 6,178

(1) For a discussion of the non-U.S. GAAP financial measures EBITDA, please read Non-U.S. GAAP Financial Measures.

Non-U.S. GAAP Financial Measures

EBITDA

We define EBITDA as net income plus interest expense, income tax expense, depreciation and amortization. EBITDA is a non-U.S. GAAP financial measure. This measurement is not recognized in accordance with U.S. GAAP and should not be viewed as an alternative to U.S. GAAP measures of performance. The U.S. GAAP measure most directly comparable to EBITDA is net income. The presentation of EBITDA should not be construed as an implication that our future results will be unaffected by unusual or non-recurring items. We believe EBITDA is useful to investors in evaluating our operating performance because:

securities analysts and other interested parties use such calculations as a measure of financial performance and borrowers ability to service debt;

it is used by our management for internal planning purposes, including certain aspects of our consolidated operating budget and capital expenditures; and

- it is used by investors to assess the ability of our assets to generate sufficient cash flows to make distributions to our Class A shareholders.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations include:

- it does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, working capital;
- it does not reflect significant interest expense or the cash requirements necessary to service interest or principal payments on our outstanding debt or cash distributions on tax equity;
- it does not reflect payments made or future requirements for income taxes;
- although it reflects adjustments for factors that we do not consider indicative of future performance, we may, in the future, incur expenses similar to the adjustments reflected in our calculation of EBITDA in this prospectus; and

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although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and EBITDA does not reflect cash requirements for such replacements.

Investors are encouraged to evaluate each adjustment and the reasons we consider it appropriate for supplemental analysis.

The following table presents a reconciliation of net income to EBITDA, on a historical basis and pro forma basis, as applicable, for each of the periods indicated.

	Pro Forma As Adjusted	Historical		Pro Forma As Adjusted	Historical	
(In thousands)	**Three Months Ended March 29, 2015**	**Three Months Ended March 29, 2015**	**Three Months Ended March 30, 2014**	**Year Ended December 28, 2014**	**Year Ended December 28, 2014**	**Year Ended December 29, 2013**
Net income (loss)	$ (9,584)	$ (9,166)	$ (922)	$ (8,382)	$ (1,216)	$ (3,827)
Add (Less):						
Interest expense	2,972	1,045	1,392	11,886	5,525	6,751
Income tax expense	6	6	17	23	23	30
Depreciation	1,267	730	807	3,414	2,339	3,224
EBITDA	$ (5,339)	$ (7,385)	$ 1,294	$ 6,941	$ 6,671	$ 6,178

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RISK FACTORS

Investing in our Class A shares involves a high degree of risk. You should carefully consider the risks described below with all of the other information included in this prospectus before deciding to invest in our Class A shares. Interests in a limited partnership are inherently different from shares of capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in a similar business and we will be treated as a corporation for U.S. federal income tax purposes. If any of the following risks were to occur, they may materially harm our business, financial condition and results of operations and our ability to make cash distributions to our shareholders could be materially and adversely affected. In that case, we might not be able to pay distributions on our Class A shares, the trading price of our Class A shares could decline, and you could lose all or part of your investment in us.

Risks Related to Our Business

OpCo may not have sufficient cash available for distribution following the establishment of cash reserves and payment of fees and expenses, including cost reimbursements and fees to our general partner and its affiliates, to enable it to pay the minimum quarterly distribution on all its units, and therefore we may not have sufficient cash available for distribution to pay the initial quarterly distribution to our Class A shareholders.

In order for OpCo to pay the minimum quarterly distribution of $0.2097 per common and subordinated unit, or $0.8388 per common and subordinated unit on an annualized basis, and for us to pay the initial quarterly distribution of $0.2097 per Class A share (assuming we are not required to pay federal income taxes), OpCo will require cash available for distribution of approximately $14.9 million per quarter, or $59.6 million per year, based on the number of OpCo common and subordinated units to be outstanding immediately after completion of this offering. OpCo may not have sufficient available cash each quarter to pay the minimum quarterly distribution or any amount to its unitholders and therefore we may not have sufficient available cash to pay the initial quarterly distribution or any amount to our Class A shareholders.

The amount of cash that OpCo can distribute to its unitholders, including us, each quarter principally depends upon the amount of cash its subsidiaries generate from their operations, which will fluctuate from quarter to quarter based on, among other things:

- the amount of revenue generated from the projects in which OpCo s subsidiaries have an interest;
- the level of OpCo s and its subsidiaries O&M and G&A costs;
- the ability of OpCo to acquire additional projects; and
- if OpCo acquires a project prior to its COD, timely completion of the project and the achievement of COD at expected capacity of the project.

In addition, the amount of cash that OpCo will have available for distribution will depend on other factors, some of which are beyond its control, including:

availability of borrowings under our revolving credit facility to pay distributions;

debt service requirements and other liabilities, including state or local taxes we may be required to pay;

the costs of acquisitions, if any;

fluctuations in its working capital needs;

timing and collectability of receivables;

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restrictions on distributions contained in existing or future debt agreements;

prevailing economic conditions;

access to credit or capital markets; and

the amount of cash reserves established by our general partner for the proper conduct of OpCo s business.

Please read the other risks set forth in Risks Related to Our Business for a discussion of risks affecting OpCo s ability to generate cash available for distribution.

On a pro forma basis, we would not have had sufficient cash available for distribution to pay any distributions on our Class A shares for the twelve months ended March 29, 2015 or for the year ended December 28, 2014.

On a pro forma basis, assuming we had completed this offering and related transactions as of March 31, 2014 and December 30, 2013, OpCo s cash available for distribution would have been a deficit of approximately $4.1 million and $1.0 million for the twelve months ended March 29, 2015 and for the year ended December 28, 2014, respectively. Therefore, OpCo would have been unable to pay any distributions on its units, and we would have been unable to pay any distributions on our Class A shares, for the twelve months ended March 29, 2015 or for the year ended December 28, 2014. For a calculation of our ability to make cash distributions to our Class A shareholders based on our pro forma results, please read Our Cash Distribution Policy and Restrictions on Distributions.

The assumptions underlying the forecast of cash available for distribution that we include in Our Cash Distribution Policy and Restrictions on Distributions are inherently uncertain and subject to significant business, economic, financial, operational, construction-related, regulatory and competitive risks and uncertainties that could cause our actual cash available for distribution to differ materially from our forecast.

The forecast of cash available for distribution set forth under Our Cash Distribution Policy and Restrictions on Distributions includes our forecasted results of operations, EBITDA and cash available for distribution for the twelve-month period ending May 31, 2016 and the twelve-month period ending May 31, 2017. We estimate that OpCo s total cash available for distribution for the twelve-month period ending May 31, 2016, will be approximately $43.3 million, and for the twelve-month period ending May 31, 2017, will be approximately $70.1 million as compared to a deficit of approximately $4.1 million and $1.0 million for the twelve months ended March 29, 2015 and for the year ended December 28, 2014, respectively, on a pro forma basis. The forecasted amount for the twelve-month period ending May 31, 2016 would not be sufficient for us to pay the full initial quarterly distribution in the absence of the distribution forbearance, which will be approximately $32.1 million during this period. Most of the expected increase in cash available for distribution between the historical periods and the forecast periods is attributable to increased revenues from the commencement of commercial operation at the Quinto Project during the first forecast period and a full year of operations for the Solar Gen 2 Project in each of the forecast periods and the receipt of network upgrade refunds by the Lost Hills Blackwell Project, the North Star Project, the Solar Gen 2 Project and the Quinto Project during the forecast periods. Other key assumptions include the future operating costs of our facilities, our facilities future level of power generation, interest rates, the level of our G&A and O&M expenses, tax treatment of income and the absence of material adverse changes in economic conditions or government regulations. The forecast only includes projects in our Initial Portfolio.

Furthermore, our statement that we have established a three-year targeted annual growth rate in our cash available for distribution of 12% to 15% per Class A share is based on our Sponsors stated intention to us that they plan to offer us sufficient First Solar ROFO Projects and SunPower ROFO

Projects each year to produce such an increase. While we believe our targeted growth rate is reasonable, it is based on estimates and assumptions regarding a number of factors, many of which are beyond our control, including the timing of future acquisitions, the purchase price we pay for acquired projects, the performance of the acquired projects, our ability to access the capital markets and our borrowing capacity, the financing costs associated with acquisitions, and the fees charged by our Sponsors or third parties for managing the acquired assets, and we may not be able to expand our business at a rate consistent with our expectations, if at all. Neither First Solar nor SunPower is obligated to make available to us the First Solar ROFO Projects or the SunPower ROFO Projects, respectively, on an accretive basis or at all, and even if they make available to us such acquisition opportunities, we may not be able to consummate an acquisition or such acquisition may not be as accretive as expected. To the extent our projected growth is not achieved, our revenues, and therefore our cash available for distribution, will be adversely affected.

The financial forecast has been prepared by management, and we have not received an opinion or report on it from our or any other independent auditor. The financial forecast is based on a P50 production level, or the level of energy production that we estimate our Initial Portfolio will meet or exceed 50% of the time. The other assumptions underlying the forecast are inherently uncertain and are subject to significant business, economic, financial, operational, construction-related, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those forecasted. If we do not achieve the forecasted results, we may not be able to pay the full minimum quarterly distribution or any amount on our Class A shares, in which event the market price of our common units may decline materially.

The amount of cash we have available for distribution to holders of our Class A shares depends primarily on our cash flow and not solely on profitability, which may prevent us from making cash distributions during periods when we record net income.

The amount of cash that OpCo has available for distribution depends primarily upon its cash flow, including cash flow from financial reserves and working capital borrowings, and is not solely a function of profitability, which will be affected by non-cash items. As a result, even when OpCo records net losses in a period, it may be able to make cash distributions and may not be able to make cash distributions during periods when it records net income.

Since a substantial portion of our Initial Portfolio is still under construction, we are subject to risk related to the completion of such projects until such projects achieve COD.

A substantial portion of our Initial Portfolio will still be under construction when we acquire it. Our forecast assumes certain CODs and capacities for the projects and if one or more of the projects do not attain COD when expected or at all or if the capacity of one or more projects is less than expected, such project(s) could generate substantially less cash flow than expected. The Sponsors have agreed under the Omnibus Agreement to pay to us all costs required to complete such project and certain liquidated damages in the event such project fails to achieve COD and specified capacities pursuant to an agreed schedule. In certain circumstances, our Sponsors payment of liquidated damages will result in such Sponsor s repurchase of the underperforming project. In such event, we will not be generating cash flow until we can redeploy the proceeds from the liquidated damages, and we may not ultimately find a replacement project or projects that produce the same amount of cash flow as the underperforming project or projects were expected to produce. For a discussion of other construction related risks, please read Risks Related to Our Acquisition Strategy and Future Growth If we choose to acquire solar energy projects before COD in the future, we will be subject to risks associated with the acquisition of solar energy projects that remain under construction, which could result in our inability to complete construction projects on time or at all, and make solar energy projects too expensive to complete or cause the return on an investment to be less than expected.

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We have a limited operating history and our projects may not perform as we expect.

The majority of projects in our Initial Portfolio are relatively new or have yet to begin operations. Three of our utility projects and two of our C&I projects are in the final stages of construction, three of our utility projects and approximately 85% of our Residential Portfolio attained COD within the last two years and all of our Residential Portfolio attained COD within the last four years. In addition, we expect that many of the projects that we may acquire, including the First Solar ROFO Projects and SunPower ROFO Projects, will either not have commenced operations, have recently commenced operations or otherwise have a limited operating history at the time of acquisition. As a result, our assumptions and estimates regarding the performance of these projects are and will be made without the benefit of a meaningful operating history, which may impair our ability to accurately estimate our results of operations, financial condition and liquidity. The ability of our projects to perform as we expect will also be subject to risks inherent in newly constructed solar energy projects, including equipment and system performance below our expectations or equipment and system failures and outages. The failure of some or all of our projects to perform according to our expectations could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

Energy projects involve significant risks that could result in a business interruption or partial or complete shutdown for which we may not be adequately insured.

There are risks associated with the ownership and operation of our projects. These risks include:

- breakdown or failure of solar modules, inverters, transformers and other equipment that are not covered by warranty or insurance;

- catastrophic events, such as fires, earthquakes, severe weather, tornadoes, ice or hail storms or other meteorological conditions, landslides and other similar events beyond our control, which could severely damage or destroy a project, reduce its energy output or result in personal injury, loss of life or property damage;

- technical performance below expected levels, including the failure of solar modules and other equipment to produce energy as expected due to incorrect measures of performance provided by equipment suppliers;

- increases in the cost of operating the projects, including costs relating to labor, equipment, insurance, permit compliance and real estate taxes;

- operator, contractor or equipment provider error or failure to perform;

- serial design or manufacturing defects, which may not be covered by warranty or insurance;

certain unremediated events under project contracts that may give rise to a termination right of the contract counterparty;

failure to comply with permits and the inability to renew or replace permits that have expired or terminated;

the inability to operate within limitations that may be imposed by current or future governmental permits or project contracts;

replacements for failed equipment, which may need to meet new interconnection standards or require system impact studies and compliance that may be difficult or expensive to achieve;

land use, environmental or other regulatory requirements;

disputes with owners of land on which our projects are located or adjacent landowners;

changes in law, including changes in governmental permit requirements;

terrorist attacks, cyber-attacks, theft, vandalism and other intentionally harmful acts;

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government or utility exercise of eminent domain power or similar events; and

existence of superior interests, liens, encumbrances and other imperfections in title affecting ownership and use of real estate interests.

Any of the risks described above could significantly decrease or eliminate the revenues of a project, significantly increase its operating costs, cause OpCo or its subsidiaries to default under their respective credit facilities or other financing agreements or give rise to damages or penalties owed by us to a contractual counterparty, a governmental authority or other third parties or cause defaults under related contracts or permits. Any of these events could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

Initially, we will depend on certain projects in our Initial Portfolio, which have yet to achieve commercial operation, for a substantial portion of our anticipated cash flows.

Initially, we will depend on certain projects in our Initial Portfolio, one of which has yet to achieve commercial operation, for a substantial portion of our anticipated cash flows. For example, we expect our largest projects, the Quinto Project, which has yet to achieve commercial operation, and the Solar Gen 2 Project, to account for approximately 92% and 78% of our total estimated cash available for distribution for the twelve-month periods ending May 31, 2016 and May 31, 2017, respectively, assuming no acquisitions of ROFO Projects or other projects. We may not be able to successfully execute our acquisition strategy in order to further diversify our sources of cash flow and reduce our portfolio concentration. Consequently, the impairment or loss of any one or more of the projects in our Initial Portfolio, such as the Quinto Project or the Solar Gen 2 Project, would materially and disproportionately reduce our total energy generation and cash flows and, as a result, have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

Our business is concentrated in certain markets, putting us at risk of region specific disruptions.

Of the 432 MW in our Initial Portfolio, a total of 396 MW is located in California, including approximately 95% of the MW of our utility projects and 72% of the MW of our DG Solar projects, and we expect much of our near-term future growth to occur in California, further concentrating our customer base and operational infrastructure. Accordingly, our business and results of operations are particularly susceptible to adverse economic, regulatory, political, weather and other conditions in this market and in other markets where we become similarly concentrated. Any of these conditions could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders. In addition, 100% of our Initial Portfolio is located in the United States, which makes us particularly susceptible to adverse changes in U.S. tax laws. Please read Risks Related to Taxation Our future tax liability may be greater than expected if we do not generate NOLs sufficient to offset taxable income or if tax authorities challenge certain of our tax positions.

Warranties provided by the suppliers of equipment for our assets and maintenance obligations of the operators of our assets may be limited by the ability of a supplier and/or operator to satisfy its warranty or performance obligations or by the expiration of applicable time or liability limits, which could reduce or void the warranty protections, or may be limited in scope or magnitude of liabilities, and thus the warranties and maintenance obligations may be inadequate to protect us.

Our Sponsors are a significant source of our warranty and maintenance coverage under a number of related party agreements, including EPC agreements, O&M agreements and warranty

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agreements, including product quality and performance warranties. Certain of these warranties are also provided by other sources, including the suppliers of equipment for our assets, among others. In the event that such warranty providers or operators, including our Sponsors, file for bankruptcy, cease operations or otherwise become unable or unwilling to fulfill their warranty obligations, we may not be adequately protected by such warranties. Even if such warranty providers or operators fulfill their obligations, the warranty or maintenance obligations may not be sufficient to protect us against losses. In addition, these warranties have a term of at least one year, in the case of certain system warranties provided by EPC providers, to 25 years, in the case of manufacturer module warranties, after the date each equipment item is delivered or commissioned. These warranties are subject to liability and other limits. If we seek warranty protection and a warranty provider is unable or unwilling to perform its warranty obligations, or if an operator is unable or unwilling to perform its maintenance obligations, whether as a result of its financial condition or otherwise, or if the term of the warranty or maintenance obligation has expired or a liability limit has been reached, there may be a reduction or loss of protection for the affected assets, which could have a material adverse effect on our business, financial condition, results of operations and ability to make distributions to our Class A shareholders.

We rely on interconnection and transmission facilities of third parties to deliver energy from our utility projects. If these facilities become unavailable, our projects may not be able to operate or deliver energy.

We depend on interconnection and transmission facilities owned and operated by third parties to deliver the energy from our utility projects. Many of the interconnection and transmission arrangements for the utility projects in our Initial Portfolio are governed by separate agreements with the owners of the transmission or distribution system. Congestion, emergencies, maintenance, outages, overloads, requests by other parties for transmission service and other events beyond our control could partially or completely curtail deliveries of energy by our utility projects and increase project costs. In addition, any termination of a utility project s interconnection or transmission arrangements or non-compliance by an interconnection provider or another third party with its obligations under an interconnection or transmission arrangement may delay or prevent our projects from delivering energy to our contractual counterparties. If the interconnection or transmission arrangement for a utility project is terminated, we may not be able to replace it on similar terms to the existing arrangement, or at all, or we may experience significant delays or costs in connection with such replacement. Moreover, if we acquire any utility projects that are under construction or development, a failure or delay in the construction or development of interconnection or transmission facilities could delay the completion of the project. The unavailability of interconnection or transmission could adversely affect the operation of our utility projects and the revenues received, which could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

Our business is subject to liabilities and operating restrictions arising from environmental, health and safety laws and regulations.

Our projects are subject to numerous environmental, health and safety laws, regulations, guidelines, policies, directives, government approvals, permit requirements and other requirements governing or relating to, among other things:

- the protection of wildlife;
- the presence or discovery of archaeological, religious or cultural resources at or near our operations; and

the protection of workers health and safety.

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If our projects do not comply with such laws, regulations or requirements, we may be required to pay penalties or fines, or curtail or cease operations of the affected projects. Violations of environmental and other laws, regulations and permit requirements, including certain violations of laws protecting wetlands and threatened or endangered species, may also result in criminal sanctions or injunctions. In addition, our projects require various government approvals and permits. In some cases, these approvals and permits require periodic renewal and a subsequently-issued approval or permit may not be consistent with the approval or permit initially issued. We cannot predict whether all approvals or permits required for a given asset will be granted or whether the conditions associated with the approvals or permits will be achievable. The denial or loss of an approval or permit essential to an asset or the imposition of impractical conditions upon renewal could impair our ability to construct and/or operate an asset.

Our projects also carry inherent environmental, health and safety risks, including the potential for related civil litigation, regulatory compliance, remediation orders, fines and other penalties. For instance, our projects could malfunction or experience other unplanned events resulting in personal injury, fines or property damage. Our projects may be constructed and operated on properties that have preexisting releases of hazardous substances or other preexisting environmental conditions that carry health and safety risks, including the potential for related civil litigation, regulatory compliance, remediation orders, fines and other penalties, regardless of whether we knew of or exacerbated the preexisting release or preexisting condition.

Additionally, we may be held liable for related investigatory costs, which are typically not limited by law or regulation, for any property where there has been a release or potential release of a hazardous substance, regardless of whether we knew of or caused the release or potential release. We could also be liable for other costs, including fines, personal injury or property damage or damage to natural resources. In addition, some environmental laws place a lien on a contaminated site in favor of the government as security for damages and costs it may incur for contamination and cleanup. Contained or uncontained hazardous substances on, under or near our projects, regardless of whether we own or lease the sited property, or the inability to remove or otherwise remediate such substances may restrict or eliminate our ability to operate our projects.

Our projects are designed specifically for the landscape of each project site and cover a large area. As such, archaeological discoveries could occur at our projects at any time. Such discoveries could result in the restriction or elimination of our ability to operate our business at any project. Utility-scale projects and operations may cause impacts to certain landscape views, trails, or traditional cultural activities. Such impacts may trigger claims from citizens that our projects are infringing upon their legal rights or other claims, resulting in the restriction or elimination of our ability to operate our business at any project.

Environmental, health and safety laws and regulations have generally become more stringent over time, and we expect this trend to continue. Significant capital and operating costs may be incurred at any time to keep our projects in compliance with environmental, health and safety laws and regulations. If it is not economical to make those expenditures, or if we violate any of these laws and regulations, it may be necessary to retire projects or restrict or modify our operations, which could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

Neither we nor our Sponsors control certain of the entities that own our projects and we may acquire future projects that we do not control.

A subsidiary of Southern Company owns a 51% economic interest in, and, upon the closing of this offering, we will own a 49% economic interest in, the Solar Gen 2 Project Entity, the Lost Hills

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Blackwell Project Entity and the North Star Project Entity. We do not own a majority of ownership of these project entities or control these project entities governing boards. As a result, our ability to make distributions to our Class A shareholders will depend in large part on the performance of these entities and their distribution of cash to us. Specifically,

- we may have limited ability to control decisions with respect to the operations of these entities and their subsidiaries, including decisions with respect to incurrence of expenses and distributions to us and to project contract compliance and enforcement of counterparty obligations under such project contracts;
- these entities may establish reserves for working capital, capital projects, environmental matters and legal proceedings which would otherwise reduce cash available for distribution to us;
- these entities may incur additional indebtedness, and principal and interest made on such indebtedness may reduce cash otherwise available for distribution to us;
- the terms of indebtedness of these entities may limit their ability to distribute cash to us;
- these entities may require us to make additional capital contributions to fund working capital and capital expenditures, our funding of which could reduce the amount of cash otherwise available for distribution; and
- we may not be the operators of these entities projects.

In the case of the Solar Gen 2 Project Entity, the Lost Hills Blackwell Project Entity and the North Star Project Entity, cash distributions are made on a quarterly basis to the extent cash is available after payment of third-party expenses, member loans, indemnification obligations and reserves. Reserves are based on the amount of reserves in the annual approved budget, permitted agreements approved after the approval of the annual budget, reserves required by any indebtedness of the entity and working capital reserves not to exceed the amount of permitted budget variances. Subject to certain exceptions, the cash distribution amount is allocated 51% to a subsidiary of Southern Company and 49% to OpCo.

Further, additional solar energy projects we may acquire may be subject to a similar structure where we do not own a majority of the project entity and we may invest in joint ventures in which we share control or in which we are a minority investor. In these instances, the majority investor or controlling investor may not have the level of experience, technical expertise, human resources management and other attributes necessary to operate these assets optimally.

Any of these items could significantly and adversely impact our ability to distribute cash to our Class A shareholders. For a more complete description of the agreements governing the management and operation of the entities in our Initial Portfolio in which we own an interest, please read Certain Relationships and Related Party Transactions.

We are not able to insure against all potential risks and we may become subject to higher insurance premiums.

We are exposed to numerous risks inherent in the operation of solar energy projects, including equipment or system failure, manufacturing defects, natural disasters, terrorist attacks, sabotage, vandalism and environmental risks. The occurrence of any one of these events may result in substantial liability to us, including being named as a defendant in lawsuits asserting claims for environmental cleanup costs, personal injury, property damage, fines and penalties.

We currently maintain general liability insurance coverage for ourselves and our affiliates, which covers legal and contractual liabilities arising out of bodily injury, personal injury or property damage, including resulting loss of use, to third parties. We also maintain coverage for ourselves and our

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affiliates for physical damage to assets and resulting business interruption. However, such policies do not cover all potential losses and coverage is not always available in the insurance market on commercially reasonable terms. In addition, the insurance proceeds received for any loss of, or any damage to, any of our assets may be immediately claimed by lenders under our financing arrangements or otherwise may not be sufficient to restore the loss or damage without a negative impact on our results of operations and our ability to make cash distributions to our Class A shareholders. To the extent we experience covered losses under our insurance policies, the limit of our coverage for potential losses may be decreased. Furthermore, the losses that are insured through commercial insurance are subject to the credit risk of those insurance companies. While we believe our commercial insurance providers are currently creditworthy, we cannot assure you that such insurance companies will remain so in the future.

We may not be able to maintain or obtain insurance of the type and amount we desire at reasonable rates. The insurance coverage we do obtain may contain large deductibles or fail to cover certain risks or all potential losses. In addition, our insurance policies are subject to annual review by our insurers and may not be renewed on similar or favorable terms, including coverage, deductibles or premiums, or at all. If a significant accident or event occurs for which we are not fully insured or we suffer losses due to one or more of our insurance carriers defaulting on their obligations or contesting their coverage obligations, it could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

We do not own any of the land on which the projects in our Initial Portfolio are located and our use and enjoyment of the property may be adversely affected to the extent that there are any interest owners, lienholders or leaseholders that have rights that are superior to our rights.

We do not own any of the land on which the projects in our Initial Portfolio are located and they generally are, and our future projects may be, located on land occupied under long-term easements, leases, licenses and rights of way. The fee ownership interests in the land subject to these easements, leases, licenses and rights of way may be subject to mortgages securing loans or other liens and other easements, lease rights, licenses and rights of way of third parties that were created prior to, or which are otherwise superior to, our projects easements, leases and rights of way. As a result, some of our projects rights under such easements, leases, licenses or rights of way may be subject to the rights of these third parties. While we generally perform title searches and obtain title insurance (except for the Macy s Project or where title insurance is commercially unobtainable), record our interests in the real property records of the projects localities and enter into non-disturbance agreements (when appropriate) to protect ourselves against such risks, such measures may be inadequate to protect against all risk that our rights to use the land on which our projects are or will be located and our projects rights to such easements, leases, licenses and rights of way could be lost, interrupted or curtailed. Any such loss, interruption or curtailment of our rights to use the land on which our projects are or will be located could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders. Please read Business Legal Proceedings.

We may be subject to information technology system failures or network disruptions that could damage our business operations, financial conditions, or reputation.

We may be subject to information technology system failures and network disruptions. These may be caused by natural disasters, accidents, power disruptions, telecommunications failures, acts of terrorism or war, computer viruses, physical or electronic break-ins, or similar events or disruptions. System redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient for all eventualities. System failures and disruptions could impede transactions processing and financial reporting.

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Terrorist or similar attacks could impact our utility projects or surrounding areas and adversely affect our business.

Terrorists have attacked energy assets such as substations and related infrastructure in the past and may attack them in the future. Any attacks on our utility projects or the facilities of third parties on which our utility projects rely could severely damage such projects, disrupt business operations, result in loss of service to customers and require significant time and expense to repair. Additionally, energy-related facilities, such as substations and related infrastructure, are protected by limited security measures, in most cases only perimeter fencing. Cyber-attacks, including those targeting information systems or electronic control systems used to operate our utility projects and the facilities of third parties on which our utility projects rely could severely disrupt business operations, result in loss of service to customers and significant expense to repair security breaches or system damage. Our Initial Portfolio, as well as projects we may acquire and the facilities of third parties on which our projects rely, may be targets of terrorist acts and affected by responses to terrorist acts, each of which could fully or partially disrupt our projects ability to produce, transmit, transport and distribute energy. A terrorist act or similar attack could significantly decrease revenues or result in significant reconstruction or remediation costs, any of which could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

We are subject to risks associated with litigation or administrative proceedings that could materially impact our operations, including future proceedings related to projects we subsequently acquire.

We are subject to risks and costs, including potential negative publicity, associated with lawsuits or claims contesting the operation of our projects. The result and costs of defending any such lawsuit, regardless of the merits and eventual outcome, may be material. For example, individuals and interest groups may sue to challenge the issuance of a permit for a project or seek to enjoin a project s operations. Any such legal proceedings or disputes could materially delay our ability to complete construction of a project in a timely manner or at all or materially increase the costs associated with commencing or continuing a project s commercial operation. Settlement of claims and unfavorable outcomes or developments relating to these proceedings or disputes, such as judgments for monetary damages, injunctions or denial or revocation of permits, could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders. Please read Business Legal Proceedings.

Risks Related to Our Acquisition Strategy and Future Growth

We may not be successful in implementing our growth strategy of making accretive acquisitions of additional solar energy projects.

Our ability to expand our business operations and increase our quarterly cash distributions depends on pursuing opportunities to acquire contracted solar energy projects from our Sponsors and others consistent with our business strategy. Various factors, described in more detail in succeeding risk factors, could affect the availability, ability to acquire or performance of such solar energy projects we seek to acquire to grow our business, including the following factors, which are described in more detail in the additional risk factors below:

- our Sponsors failure to complete the development of the First Solar ROFO Projects and the SunPower ROFO Projects or our Sponsors or other third parties failure to develop other solar energy projects;

our Sponsors decisions not to sell the ROFO Projects or other projects that they develop;

our inability to consummate an acquisition of a ROFO Project or other a solar energy project due to an inability to agree on terms with our Sponsors or a third-party developer or our inability to arrange the required or desired financing for such acquisitions; or

- performance of the acquired assets at a level below expectations.

The occurrence of any of these events could substantially affect our ability to grow our business which would correspondingly have a material adverse effect on our ability to grow our cash distributions to our Class A shareholders.

Our Sponsors failure to complete the development of the First Solar ROFO Projects and the SunPower ROFO Projects or project developers , including our Sponsors , failure to develop other solar energy projects, including those opportunities that are part of our Sponsors development pipeline, could have a significant effect on our ability to grow.

Our Sponsors could decide not to develop or to discontinue development of the First Solar ROFO Projects and the SunPower ROFO Projects and project developers, including our Sponsors, could decide not to develop additional solar energy projects, including those opportunities included in our Sponsors development pipeline, for a variety of reasons, including, among other things, the following:

- issues with solar energy technology being unsuitable for widespread adoption at economically attractive rates of return;
- demand for solar energy systems failing to develop sufficiently or taking longer than expected to develop;
- issues related to project siting, financing, construction, permitting, the environment, governmental approvals and the negotiation of project development agreements;
- a reduction in government incentives or adverse changes in policy and laws for the development or use of solar energy;
- competition from other alternative energy technologies; and
- a material reduction in the retail or wholesale price and availability of traditional utility generated electricity or electricity from other sources.

If the challenges of developing solar energy projects increase for project developers, including our Sponsors, our pool of available opportunities may be limited, which could have a material adverse effect on our ability to grow our business and make cash distributions to our Class A shareholders.

If solar energy technology is not suitable for widespread adoption at economically attractive rates of return, or if sufficient additional demand for solar energy systems does not develop or takes longer to develop than we anticipate, our ability to acquire accretive projects may decrease.

The solar energy market is at a relatively early stage of development, in comparison to fossil fuel-based electricity generation. If solar energy technology proves unsuitable for widespread adoption at economically attractive rates of return or if additional demand for solar energy systems fails to develop sufficiently or takes longer to develop than we anticipate, we may be unable to acquire additional accretive projects to grow our business. In addition, demand for solar energy systems in our targeted markets may develop to a lesser extent than we anticipate. Many factors may affect the viability of widespread adoption of solar energy technology and demand for solar energy systems, including the following:

- availability, substance and magnitude of support programs including government targets, subsidies, incentives, renewable portfolio standards and residential net ownership rules to accelerate the development of the solar energy industry;

- fluctuations in economic and market conditions that affect the price of, and demand for, conventional and non-solar renewable energy sources, such as increases or decreases in the

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- price of natural gas, coal, oil and other fossil fuels and the cost-effectiveness of the electricity generated by solar energy systems compared to such sources and other non-solar renewable energy sources, such as wind;

- performance, reliability and availability of energy generated by solar energy systems compared to conventional and other non-solar renewable energy sources and products;

- competitiveness of other renewable energy generation technologies, such as hydroelectric, tidal, wind, geothermal, solar thermal, concentrated solar and biomass; and

- fluctuations in capital expenditures by end-users of solar energy systems which tend to decrease when the economy slows and when interest rates increase.

Solar energy failing to achieve or being significantly delayed in achieving widespread adoption could have a material adverse effect on our ability to grow our business and make cash distributions to our Class A shareholders.

The development of utility-scale solar energy projects by our Sponsors and third parties face risks related to project siting, financing, construction, permitting, the environment, governmental approvals and the negotiation of project development agreements.

Utility-scale project development is a capital intensive business that relies heavily on the availability of debt and equity financing sources (including tax equity investments) to fund projected construction and other development-related capital expenditures. As a result, in order to successfully develop a utility-scale solar energy project, development companies, including our Sponsors, often require sufficient financing to complete the development phase of their projects. Any significant disruption in the credit and capital markets or a significant increase in interest rates could make it difficult for development companies to raise funds when needed to secure construction financing, which would limit a project developer s ability to obtain financing to complete the construction of a utility-scale solar energy project we may seek to acquire.

Utility-scale project development also requires the successful negotiation and execution of a variety of project contracts, including contracts related to offtake, transmission (in the case of utility-scale solar projects), siting, land use and other arrangements with a variety of third parties. Failure to execute project contracts would limit the ability of a project developer to complete development of a project, which would limit the projects available to us to acquire.

Project developers, including our Sponsors, develop, construct, manage, own and operate utility-scale solar energy generation and transmission facilities. A key component of their businesses is their ability to construct and operate generation and transmission facilities to meet customer needs. As part of these activities, project developers and EPC providers must periodically apply for licenses and permits from various regulatory authorities and abide by their respective conditions and requirements. If project developers and EPC providers, including our Sponsors, are unsuccessful in obtaining necessary licenses or permits on acceptable terms or encounter delays in obtaining or renewing such licenses or permits, or if regulatory authorities initiate any associated investigations or enforcement actions or impose penalties or reject projects, the potential number of solar energy projects that may be available for us to acquire may be reduced or potential transaction opportunities may be delayed.

Our Residential Portfolio relies on net metering and related policies to offer competitive pricing to our customers in some of our key markets.

Forty-four states, Washington, D.C. and Puerto Rico have a regulatory policy known as net energy metering, or net metering. Each of the states where we currently serve customers has adopted a net metering policy. Net metering typically allows our customers who own grid-connected DG Solar assets to pay the utility only for electricity used net of electricity generated by their solar system. At the end of the billing period, the customer simply pays for the net energy used or receives a credit at the retail rate if more energy is produced than consumed. Utilities operating in states without a net metering policy may receive solar electricity that is exported to the grid when there is no simultaneous energy demand by the customer without providing retail compensation to the customer for this generation.

Our Residential Portfolio may be adversely impacted by the failure to expand existing limits on the amount of net metering in states that have implemented it, the failure to adopt a net metering policy where it currently is not in place, the imposition of new charges that only or disproportionately impact customers that utilize net metering, or reductions in the amount or value of credit that customers receive through net metering. Our Residential Portfolio may be adversely impacted by the unavailability of expedited or simplified interconnection for grid-tied solar energy systems or any limitation on the number of customer interconnections or amount of solar energy that utilities are required to allow in their service territory or some part of the grid. For example, utilities in some states have proposed imposing additional monthly charges on customers who interconnect solar energy systems installed on their homes. If such charges are imposed, the cost savings associated with switching to solar energy may be significantly reduced and our ability to expand our Residential Portfolio and compete with traditional utility providers could be impacted.

Limits on net metering, interconnection of solar energy systems and other operational policies in key markets could limit the number of solar energy systems installed in those markets. For example, California utilities limit net metering credit to 5% of the utilities aggregate customer peak demand. California has adopted legislation to establish a process and timeline for developing a new net metering program with no cap on participation. If the caps on net metering in California and other jurisdictions are reached or if the amount or value of credit that customers receive for net metering is significantly reduced, future customers will be unable to recognize the current cost savings associated with net metering. Net metering is used to establish competitive pricing for prospective customers and the absence of net metering for new customers would greatly limit demand for residential solar energy systems.

Government regulations providing incentives and subsidies for solar energy could change at any time and such changes may negatively impact our growth strategy.

Our strategy to grow our business through the acquisition of solar energy projects partly depends on current government policies that promote and support solar energy and enhance the economic viability of owning solar energy projects. Solar energy projects currently benefit from various U.S. federal, state and local governmental incentives, such as Investment Tax Credits, or ITCs, loan guarantees, Renewable Portfolio Standards, or RPS, the Modified Accelerated Cost-Recovery System, or MACRs, for depreciation and other incentives. These policies have had a significant impact on the development of solar energy and they could change at any time. These incentives make the development of solar energy projects more competitive by providing tax credits and accelerated depreciation for a portion of the development costs, decreasing the costs associated with developing such projects or creating demand for renewable energy assets through RPS programs. A loss or reduction in such incentives could decrease the attractiveness of solar energy projects to project developers, including our Sponsors, and the attractiveness of solar energy systems to utilities and DG Solar customers, which could reduce our acquisition opportunities. Such a loss or reduction could also reduce our willingness to pursue solar energy projects due to higher operating costs or lower revenues from offtake agreements.

The reduction or removal of these incentives may diminish the market for future solar energy offtake agreements and reduce the ability for solar developers to compete for future solar energy offtake agreements, which may reduce incentives for project developers, including our Sponsors, to

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develop such projects. The ITC is a U.S. federal incentive that provides an income tax credit to the owner of the project after the project commences commercial operation of up to 30% of eligible basis. A solar energy project must commence commercial operation on or before December 31, 2016, to qualify for the 30% ITC. A solar energy project that commences commercial operation after December 31, 2016, may qualify for an ITC equal to 10% of eligible basis. Under the Modified Accelerated Cost-Recovery System, owners of equipment used in a solar project generally claim all of their depreciation deductions with respect to such equipment over five years, even though the useful life of such equipment is generally greater than five years. To the extent that these policies are changed in a manner that reduces the incentives that benefit our projects, they could generate reduced revenues and reduced economic returns, experience increased financing costs and encounter difficulty obtaining financing.

Additionally, some U.S. states with RPS targets have met, or in the near future will meet, their renewable energy targets. For example, California, which has one of the most aggressive RPS in the United States, is poised to meet its current target of 25% renewable energy generation by 2016 and has the potential to meet its goal of 33% renewable power generation by 2020 with already-proposed new renewable energy projects. If, as a result of achieving these targets, these and other U.S. states do not increase their targets in the near future, demand for additional renewable energy could decrease. Any of the foregoing could have a material adverse effect on our ability to grow our business and make cash distributions to our Class A shareholders.

The seasonality of our operations may affect our liquidity.

The amount of electricity our solar energy systems produce is dependent in part on the amount of sunlight, or irradiation, where the assets are located. Because shorter daylight hours in winter months results in less irradiation, the generation of particular assets will vary depending on the season. We expect our Initial Portfolio s power generation to be at its lowest during the winter season of each year. Similarly, we expect our first quarter revenue generation to be lower than other quarters.

We will need to maintain sufficient financial liquidity to absorb the impact of seasonal variations in energy production. We may need to reserve cash in other quarters or borrow under our revolving credit facility in order to pay distributions in quarters with shorter daylight hours.

A material drop in the price and or increase in the availability of other energy sources would harm our ability to acquire accretive utility projects.

A utility s decision to buy renewable energy may be affected by the cost of other energy sources, including nuclear, coal, natural gas and oil, as well as other sources of renewable energy. For example, low natural gas prices have led, in some instances, to increased natural gas consumption in lieu of other energy sources. To the extent renewable energy, particularly solar energy, becomes less cost-competitive due to reduced government targets and incentives that favor renewable energy, cheaper alternatives or otherwise, demand for solar energy and other forms of renewable energy could decrease. Slow growth or a long-term reduction in the energy demand could cause a reduction in the development of utility-scale projects.

The price of electricity from utilities could also decrease as a result of:

- the construction of additional electric transmission and distribution lines;

a reduction in the price of natural gas as a result of new drilling techniques or a relaxation of associated regulatory standards;

the energy conservation technologies and public initiatives to reduce electricity consumption; and development of new renewable energy technologies that provide less expensive energy.

Decreases in the prices of electricity from the utilities could affect our ability to acquire accretive assets, as our Sponsors and other renewable energy developers may not be able to compete with providers of other energy sources at such lower utility wholesale prices. Our inability to acquire accretive assets could have a material adverse effect on our ability to grow our business and make cash distributions to our Class A shareholders.

A material drop in the price of retail electricity from utilities would harm our ability to acquire accretive C&I and residential assets.

A reduction in utility electricity prices would make the purchase of solar energy systems or the purchase of energy under offtake agreements less economically attractive to residential and C&I customers. In addition, a shift in the timing of peak rates for utility-generated electricity to a time of day when solar energy generation is less efficient could make solar energy system offerings less competitive and reduce demand for such solar energy systems. If the price of energy available from utilities were to decrease due to any of these reasons, or others, we would be unable to acquire accretive DG Solar assets, which could have a material adverse effect on our ability to grow our business and make distributions to our Class A shareholders.

The C&I market for energy is particularly sensitive to price changes. Typically, C&I customers pay less for energy from utilities than residential customers. Because the price we are able to charge C&I customers is only slightly lower than their current retail rate, any decline in the retail rate of energy for C&I entities could have a significant impact on the development of the C&I market due to the inability to attract additional C&I customers.

If the price of energy available from utilities were to decrease due to any of these reasons, or others, we would be unable to acquire accretive residential and C&I assets, which could have a material adverse effect on our ability to grow our business and make distributions to our Class A shareholders.

Our inability to acquire additional solar energy projects due to our Sponsors decision to keep projects that they develop, competing bids for a solar energy project, our inability to agree on terms with the developer of a solar energy project, including our Sponsors, or our inability to arrange the required or desired financing for such acquisitions could have a significant effect on our ability to grow.

Our acquisition strategy is based on our expectation of ongoing divestitures of solar energy projects by project developers, including our Sponsors. Though our ROFO Agreements provide us with a right of first offer for five years with respect to certain projects that our Sponsors are developing should they choose to sell such projects, there is no guarantee that the Sponsors will make available us any projects before our right of first offer expires or at all. Furthermore, even if we have the opportunity to make a first offer on projects that our Sponsors seek to sell or to acquire projects from a third party, we may choose not to pursue such opportunity, be unable to negotiate acceptable purchase contracts with them for such projects, be unable to obtain financing for these acquisitions on economically acceptable terms, be outbid by competitors including our Sponsors or growth vehicles similar to us or be unable to obtain necessary governmental or third-party consent. Additionally, our Sponsors are under no obligation to accept any offer made by us with respect to such opportunities and upon a failure to agree to such offer are subject to few restrictions when selling to a third party. Furthermore, for a variety of reasons, we may decide not to exercise these rights when they become available, and our decision will not be subject to shareholder approval. As such, there is no guarantee that we will be able to make any such offer or consummate any acquisition of solar energy projects from our Sponsors or others.

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At or prior to COD of the projects subject to our ROFO Agreements, our Sponsors may enter into arrangements, often referred to as tax equity financing, with investors seeking to utilize the tax attributes of their projects which may result in a reduction of our expected economic ownership of such ROFO Project. These arrangements have multiple potential structures which have differing impacts on our economic ownership and may be on terms less favorable than those currently in place at certain of our existing projects. In addition, the Sponsors may sell a portion of the equity in non-U.S. projects to development partners.

Until we can effectively utilize tax benefits, we expect to be dependent on the availability of third-party tax equity financing arrangements, which may not be available in the future.

A goal of developers and owners of renewable energy assets, including our Sponsors, is to utilize the tax benefits produced by these projects. However, we can not effectively utilize those benefits currently and may not be able to utilize them in the future. As such, we may acquire projects in the future that include third-party tax equity financing to utilize tax benefits available to certain renewable energy assets. However, no assurance can be given that tax equity investors will be available or willing to invest on acceptable terms at the time of any such acquisition or that the tax incentives and benefits that are needed to make tax equity financing available will remain in place. Tax equity investors have invested in and provided a significant amount of the permanent capital needed for the U.S. assets in our Initial Portfolio and we expect to have similar arrangements for assets we acquire in the future, including the ROFO Projects. In a typical tax equity financing, a tax equity investor makes a capital investment in a class of equity interests of the entity that directly or indirectly owns the physical asset or assets. However, the availability of tax equity financing depends on federal tax incentives that encourage renewable energy development. These attributes primarily include (i) ITCs, which are federal income tax credits equal to 30% multiplied by the cost of eligible assets (10% multiplied by the cost of eligible assets placed in service after December 31, 2016) and (ii) accelerated depreciation of renewable energy assets as calculated under the current tax depreciation system, the modified accelerated cost recovery system of the U.S. Internal Revenue Code of 1986, as amended. No assurance can be given that the federal government will maintain these incentive programs. The reduction or loss of these tax benefits could cause a material adverse effect on the willingness of investors to provide tax equity financing for a portion of the acquisition price of U.S. renewable energy assets, which in turn could impact our ability to make future acquisitions.

Certain of our tax equity financing agreements provide, and tax equity financing arrangements of our future acquisitions may provide, our tax equity investors with a number of minority investor protection rights with respect to the applicable asset or assets that have been financed with tax equity, including restricting the ability of the entity that owns such asset or assets to incur debt. To the extent we want to incur project-level debt at a project in which we co-invest with a tax equity investor, we may be required to obtain the tax equity investor s consent prior to such incurrence. In addition, the amount of debt that could be incurred by an entity in which we have a tax equity co-investor may be further constrained because even if the tax equity investor consents to the incurrence of the debt at the entity or project level, the tax equity investor may not agree to pledge its interest in the project which could reduce the amount that can be borrowed by the entity.

Further, there are a limited number of potential tax equity investors. Such investors have limited funds and renewable energy developers, operators and investors compete against one another and with others for tax equity financing for their capital. Our business strategy depends on the acquisition of additional assets to be able to meet our expected distribution rate. The inability of developers of renewable energy assets to enter into tax equity financing agreements with attractive pricing terms, or at all, could limit our ability to acquire additional assets and have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, as the renewable energy industry expands, the cost of tax equity financing may increase and there may not be sufficient tax equity financing available to meet the total demand in any year.

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Our ability to effectively consummate future acquisitions will also depend on our ability to arrange the required or desired financing for acquisitions.

We expect that OpCo will distribute a substantial amount of its available cash to its unitholders, including us, and will rely primarily upon its cash reserves (including the net proceeds that it will retain from this offering) and external financing sources, including borrowings under our revolving credit facility and the issuance of debt and equity securities, including by us, as well as tax equity financing to fund future acquisitions.

OpCo may not have sufficient availability under its credit facilities or have access to project-level financing on commercially reasonable terms when acquisition opportunities arise. Furthermore, our and its ability to access the capital markets may be limited by our and its financial condition at such time as well as the covenants in our debt agreements, general economic conditions and contingencies or other uncertainties that are beyond our control. An inability to obtain the required or desired financing could significantly limit our ability to consummate future acquisitions and effectuate our growth strategy. If financing is available, it may be available only on terms that could significantly increase our interest expense, impose additional or more restrictive covenants and reduce cash available for distribution.

To the extent we are unable to finance growth with external sources of capital, the requirement in our OpCo s limited liability company agreement to distribute all of its available cash and our current cash distribution policy will significantly impair our ability to grow. In addition, because we will distribute all of our available cash, our growth may not be as fast as businesses that reinvest all of their available cash to expand ongoing operations.

To the extent we issue additional shares, the payment of distributions on those additional shares may increase the risk that we will be unable to maintain or increase our cash distributions per share. There are no limitations in our partnership agreement on our ability to issue additional shares, including shares ranking senior to our Class A shares, and our shareholders (other than our Sponsors and their affiliates) will have no preemptive or other rights (solely as a result of their status as shareholders) to purchase any such additional shares. If we incur additional debt (under our revolving credit facility or otherwise) to finance our growth strategy, we will have increased interest expense, which in turn will reduce the available cash that we have to distribute to our Class A shareholders.

Even if we consummate acquisitions that we believe will be accretive to cash available for distribution per Class A share, those acquisitions may decrease the cash available for distribution per Class A share as a result of incorrect assumptions in our evaluation of such acquisitions, unforeseen consequences or other external events beyond our control.

The acquisition of existing solar energy projects involves the risk of overpaying for such projects (or not making acquisitions on an accretive basis) and failing to retain the customers of such projects. In addition, upon consummation of an acquisition, such acquisition will be subject to many of the risks set forth above in Risks Related to Our Business. While we will perform due diligence on prospective acquisitions, we may not discover all potential risks, operational issues or other issues in such solar energy projects. In addition, in determining to acquire attractively priced operating solar energy systems, our general partner may be influenced by factors that could result in a misalignment or conflict of interest. Further, the integration and consolidation of acquisitions require substantial human, financial and other resources and, ultimately, our acquisitions may divert our management s attention from our existing business concerns, disrupt our ongoing business or not be successfully integrated. Future acquisitions might not perform as expected or the returns from such acquisitions might not support the financing utilized to acquire them or maintain them. A failure to achieve the financial returns we expect when we acquire solar energy projects could have a material adverse effect on our ability to grow our business and make cash distributions to our Class A shareholders. Any

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failure of our acquired solar energy projects to be accretive or difficulty in integrating such acquisition into our business could have a material adverse effect on our ability to grow our business and make cash distributions to our Class A shareholders.

If we choose to acquire solar energy projects before COD in the future, we will be subject to risks associated with the acquisition of solar energy projects that remain under construction, which could result in our inability to complete construction projects on time or at all, and make solar energy projects too expensive to complete or cause the return on an investment to be less than expected.

As part of our acquisition strategy or if we need to qualify for tax incentives, we may choose to acquire other solar energy projects that have not yet commenced operations and remain under construction. There may be delays or unexpected developments in completing any future construction projects, which could cause the construction costs of these projects to exceed our expectations, result in substantial delays or prevent the project from commencing commercial operation. Various factors could contribute to construction-cost overruns, construction halts or delays or failure to commence commercial operation, including:

- delays in obtaining, or the inability to obtain, necessary permits and licenses;
- delays and increased costs related to the interconnection of new projects to the transmission system;
- the inability to acquire or maintain land use and access rights;
- the failure to receive contracted third-party services;
- interruptions to dispatch at our projects;
- supply interruptions;
- work stoppages;
- labor disputes;
- weather interferences;
- force majeure events;

- changes in laws;

- unforeseen engineering, environmental and geological problems, including discoveries of contamination, protected plant or animal species or habitat, archaeological or cultural resources or other environment-related factors;

- unanticipated cost overruns in excess of budgeted contingencies; and

- failure of contracting parties to perform under contracts, including the EPC provider.

In addition, where we have a relationship with a third party to complete construction of any construction project, we are subject to the viability and performance of the third party. Our inability to find a replacement contracting party, where the original contracting party has failed to perform, could result in the abandonment of the construction of such project, while we could remain obligated under other agreements associated with the project, including offtake agreements, which may result in a default or termination of such offtake agreement.

Any of these risks could cause our financial returns on these investments to be lower than expected or otherwise delay or prevent the completion of such projects or distribution of cash to us, or could cause us to operate below expected capacity or availability levels, which could have a material adverse effect on our ability to grow our business and make cash distributions to our Class A shareholders.

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While we currently own only solar energy projects, we may acquire other sources of clean energy and other assets. Any future acquisition of non-renewable energy projects may present unforeseen challenges and result in a competitive disadvantage relative to our more-established competitors.

While we currently only own solar assets and our current growth strategy is only focused on acquiring solar assets, we may in the future choose to acquire other sources of clean energy and other assets, including contracted wind and natural gas, and other types of projects, including land and transmission projects. We may also choose to leverage advancements in technology such as energy storage and increasingly efficient modules to compete against existing renewable generation technologies. We may be unable to identify attractive acquisition opportunities or acquire such projects or technology at a price and on terms that are attractive. In addition, expanding beyond our current expertise may result in our Sponsors not having the level of experience, technical expertise, human resources management and other attributes necessary to operate such assets optimally, which could expose us to increased operating costs, unforeseen liabilities or risks including regulatory and environmental issues associated with entering new sectors of the energy industry, including requiring a disproportionate amount of our management s attention and resources, which could have an adverse impact on our business and place us at a competitive disadvantage relative to more established market participants. A failure to successfully integrate such acquisitions with our then-existing projects as a result of unforeseen operational difficulties or otherwise, could have a material adverse effect on our ability to grow our business and make cash distributions to our Class A shareholders.

Risks Related to Regulations

Our projects may be adversely affected by legislative changes or a failure to comply with applicable energy regulations.

Certain of our Project Entities and offtake counterparties are subject to regulation by U.S. federal, state and local authorities. The wholesale sale of electric energy in the continental United States, other than certain areas in Texas, is subject to the jurisdiction of the U.S. Federal Energy Regulatory Commission, or FERC, and the ability of a Project Entity to charge the negotiated rates contained in its offtake agreement is subject to that project company s maintenance of its general authorization from FERC to sell electricity at market-based rates or maintaining an exemption from such requirement. FERC may revoke a Project Entity s market-based rate authorization if it determines that the Project Entity can exercise market power in transmission or generation, create barriers to entry or has engaged in abusive affiliate transactions. The negotiated rates entered into under the Project Entities offtake agreements could be changed by FERC if it determined such change is in the public interest. While this threshold public interest determination would require extraordinary circumstances under FERC precedent, if FERC decreases the prices paid to us for energy delivered under any of our offtake agreements, our revenues could be below our projections and our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders could be materially adversely affected.

Our Project Entities, with the exception of our DG Solar projects, are subject to the mandatory reliability standards of the North American Electric Reliability Corporation, or NERC. The NERC reliability standards are a series of requirements that relate to maintaining the reliability of the North American bulk electric system and cover a wide variety of topics including physical and cybersecurity of critical assets, information protocols, frequency and voltage standards, testing, documentation and outage management. If we fail to comply with these standards, we could be subject to sanctions, including substantial monetary penalties. Although our Utility Project Entities are not subject to state utility rate regulation because they sell energy exclusively on a wholesale basis, we are subject to other state regulations that may affect our projects sale of energy and operations. Changes in state

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regulatory treatment are unpredictable and could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

With few material federal regulatory policies driving the growth of renewable energy, each U.S. state has its own renewable energy regulations and policies. Renewable energy developers must anticipate the future policy direction in each state and province and secure viable projects before they can bid to procure an offtake agreement or other contract through often highly competitive auctions. A failure to anticipate accurately the future policy direction in a jurisdiction or to secure viable projects could have a material adverse effect on our ability to grow our business and make cash distributions to our Class A shareholders.

The structure of the industry and regulation in the United States is currently, and may continue to be, subject to challenges and restructuring proposals. Additional regulatory approvals may be required due to changes in law or for other reasons. We expect the laws and regulation applicable to our business and the energy industry generally to be in a state of transition for the foreseeable future. Changes in such laws and regulations could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

As a result of the FPA and FERC s regulations of transfers of control over public utilities, an investor could be required to obtain FERC approval to acquire shares that would give the investor and its affiliates indirect ownership of 10% or more in our Project Entities.

Some of our Project Entities are public utilities as defined in the U.S. Federal Power Act, or FPA. Any transfer of direct or indirect control over them requires pre-approval by FERC under FPA Section 203, either under existing blanket authorizations or by application. A violation of FPA Section 203 by us as the seller, or an investor as the purchaser of our voting securities, could subject the party in violation to civil or criminal penalties under the FPA, including civil penalties of up to $1 million per day per violation and other possible sanctions imposed by FERC under the FPA. FERC generally presumes that a direct or indirect holder of 10% or more of a public utility s voting securities controls the public utility.

We will submit an application to FERC requesting a declaratory order under FPA Section 203 determining that our shares are passive, non-voting securities that will not allow any shareholders to exercise control over our public utility subsidiaries. Unless and until FERC grants our application, we will include restrictions in our partnership agreement under which an investor and its affiliates that acquire 10% or more of our shares will lose their voting rights. If FERC grants our application, the 10% restriction will automatically increase to 20%.

Our DG Solar business depends in part on the regulatory treatment of third-party owned solar energy systems.

Although we own the underlying solar energy systems of our DG Solar Projects, because we lease such systems to our residential DG Solar customers, their DG Solar offtake agreements are considered third-party ownership arrangements. Therefore, DG Solar customers are considered non-owner third parties. Sales of electricity by third parties face regulatory challenges in some U.S. states and jurisdictions. Other challenges pertain to whether third-party owned solar energy systems qualify for the same levels of rebates or other non-tax incentives available for customer-owned solar energy systems and whether third-party owned solar energy systems are eligible at all for these incentives. Reductions in, eliminations of, or rebates or incentives for these third-party ownership arrangements could reduce demand for our solar energy systems, adversely impact our access to capital and could cause us to increase the price we charge our customers for energy.

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A failure to comply with laws and regulations relating to our interactions with current or prospective residential customers could result in negative publicity, claims, investigations, and litigation, and adversely affect our financial performance.

A segment of our business focuses on transactions with residential customers. We must comply with numerous federal, state and local laws and regulations that govern matters relating to our interactions with residential consumers, including those pertaining to privacy and data security, consumer financial and credit transactions, home improvement contracts, warranties and door-to-door solicitation. These laws and regulations are dynamic and subject to potentially differing interpretations, and various federal, state and local legislative and regulatory bodies may expand current laws or regulations, or enact new laws and regulations, regarding these matters. Changes in these laws or regulations or their interpretation could dramatically affect how we do business, acquire customers, and manage and use information we collect from and about current and prospective customers and the costs associated therewith. We strive to comply with all applicable laws and regulations relating to our interactions with residential customers. It is possible, however, that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Our non-compliance with any such law or regulations could also expose the company to claims, proceedings, litigation and investigations by private parties and regulatory authorities, as well as substantial fines and negative publicity, each of which may materially and adversely affect our business. We have incurred, and will continue to incur, significant expenses to comply with such laws and regulations, and increased regulation of matters relating to our interactions with residential consumers could require us to modify our operations and incur significant additional expenses, which could have an adverse effect on our business, financial condition and results of operations.

In addition, we are subject to federal, state and international laws relating to the collection, use, retention, security and transfer of personal information of our customers. In many cases, these laws apply not only to third-party transactions, but also to transfers of information between one company and its subsidiaries, and among the subsidiaries and other parties with which we have commercial relations. Several jurisdictions have passed new laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing requirements may cause us to incur costs or require us to change our business practices. A failure by us, our suppliers or other parties with whom we do business to comply with a posted privacy policies or with other federal, state or international privacy-related or data protection laws and regulations could result in proceedings against us by governmental entities or others, which could have a detrimental effect on our business, results of operations and financial condition.

We could be adversely affected by any violations of the U.S. Foreign Corrupt Practices Act and foreign anti-bribery laws.

The U.S. Foreign Corrupt Practices Act generally prohibits companies and their intermediaries from making improper payments to non-U.S. government officials for the purpose of obtaining or retaining business. We plan to implement policies mandating compliance with these anti-bribery laws. We currently only operate in the United States. However, we may acquire businesses outside of the United States and operate in parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. In addition, due to the level of regulation in our industry, our entry into new jurisdictions through internal growth or acquisitions requires substantial government contact where norms can differ from U.S. standards. While we will implement policies and procedures and conduct training designed to facilitate compliance with these anti-bribery laws, thereby mitigating the risk of violations of such laws, our employees, subcontractors and agents may take actions in violation of our

policies and anti-bribery laws. Any such violation, even if prohibited by our policies, could subject us to criminal or civil penalties or other sanctions, which could have a material adverse effect on our business, financial condition, cash flows and reputation.

Risks Related to Our Project Agreements

We rely on a limited number of offtake counterparties and we are exposed to the risk that they are unwilling or unable to fulfill their contractual obligations to us or that they otherwise terminate their offtake agreements with us.

In most instances, we sell the energy generated by each of our utility and C&I scale projects to a single counterparty under a long-term offtake agreement. We expect that these offtake agreements will be the primary source of cash flows for these projects. Thus, the actions of even one offtake counterparty may cause material variability of our overall revenue, profitability and cash flows that are difficult to predict. Similarly, significant portions of our credit risk may be concentrated among a limited number of offtake counterparties and the failure of even one of these key offtake counterparties to pay its obligations to us could significantly impact our business and financial results. We expect our largest offtake counterparties, which are Southern California Edison and San Diego Gas & Electric, to account for approximately 46% and 52%, respectively, of our total estimated cash available for distribution for the twelve-month period ending May 31, 2016, and approximately 50% and 32%, respectively, of our total estimated cash available for distribution for the twelve-month period ending May 31, 2017. Our customers in our residential projects lease solar energy systems from us under long-term lease agreements. The lease terms are typically for 20 years, and require the customer to make monthly payments to us. Accordingly, we are subject to the credit risk of our customers. The average FICO score of our customers was approximately 765 at the time of initial contract. The risk of customer defaults may increase as we grow our portfolio of residential projects. Any or all of our offtake counterparties may fail to fulfill their obligations under their offtake agreements with us, whether as a result of the occurrence of any of the following factors or otherwise:

- specified events beyond our control or the control of an offtake counterparty may temporarily or permanently excuse the offtake counterparty from its obligation to accept and pay for delivery of energy generated by a utility project. These events could include a system emergency, transmission failure or curtailment, adverse weather conditions or labor disputes;

- the ability of our offtake counterparties to fulfill their contractual obligations to us depends on their creditworthiness. We are exposed to the credit risk of our offtake counterparties over an extended period of time due to the long-term nature of our offtake agreements with them. These customers could become subject to insolvency or liquidation proceedings or otherwise suffer a deterioration of their creditworthiness when they have not yet paid for energy delivered, any of which could result in underpayment or nonpayment under such agreements; and

- a default or failure by us to satisfy minimum energy delivery requirements or in mechanical availability levels under our offtake agreements could result in damage payments to the offtake counterparty or termination of the applicable offtake agreement.

If our offtake counterparties are unwilling or unable to fulfill their contractual obligations to us, or if they otherwise terminate such offtake agreements prior to their expiration, we may not be able to recover contractual payments and commitments due to us. Since the number of utility and C&I customers is limited, we may be unable to find a new energy purchaser on similar or favorable terms or at all. In some cases, there currently is no economical alternative counterparty to the original offtake counterparty. The loss of or a reduction in sales to any of our offtake counterparties could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

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We may not be able to extend, renew or replace expiring or terminated offtake agreements at favorable rates or on a long-term basis.

As of March 31, 2015, the weighted average remaining life of offtake agreements across our Initial Portfolio was 22.0 years. Our ability to extend, renew or replace our existing offtake agreements depends on a number of factors beyond our control, including:

- whether the offtake counterparty has a continued need for energy at the time of expiration, which could be affected by, among other things, the presence or absence of governmental incentives or mandates, prevailing market prices, and the availability of other energy sources;

- the satisfactory performance of our delivery obligations under such offtake agreements;

- the regulatory environment applicable to our offtake counterparties at the time;

- macroeconomic factors present at the time, such as population, business trends and related energy demand; and

- the effects of regulation on the contracting practices of our offtake counterparties.

If we are not able to extend, renew or replace on acceptable terms existing utility offtake agreements before contract expiration, or if such agreements are otherwise terminated in accordance with their terms prior to their expiration, we may be forced to sell the energy on an uncontracted basis at prevailing market prices, which could be materially lower than we received under the offtake agreement. Alternatively, if there is no market for a project s uncontracted energy or we lose access to or the right to occupy and use the land on which a project sits, we may be required to decommission the project before the end of its useful life. Additionally, if we are not able to extend or renew our DG Solar offtake agreements before contract expiration, or if such agreements are otherwise terminated in accordance with their terms prior to expiration, we will lose all revenue with respect to such projects. Any failure to extend or replace a significant portion of our existing offtake agreements, or extending, renewing or replacing them at lower prices or with other unfavorable terms could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

Certain of the offtake agreements in our Initial Portfolio and offtake agreements that we may enter into in the future contain or may contain provisions that allow the offtake counterparty to terminate the agreement or buyout all or a portion of the asset upon the occurrence of certain events. If these provisions are exercised and we are unable to enter into an offtake agreement on similar terms, in the case of a termination, or find suitable replacement assets to invest in, in the case of a buyout, our cash available for distribution could materially decline.

Certain of the offtake agreements in our Initial Portfolio and offtake agreements that we may enter into in the future allow or may allow the offtake counterparty to purchase all or a portion of the applicable asset from us. For example, pursuant to the offtake agreements for several of our solar assets, the offtake counterparty has the option to either (i) purchase the applicable solar energy system, no earlier than year 6 after COD of the system, and for a purchase price equal to the greater of a value specified in the contact or the fair market value of the asset determined at the time of exercise of the purchase option or (ii) pay an early termination fee as specified in the contract, terminate the contact and require the project company owned by us to remove the applicable solar energy system from the site. If the offtake counterparty of the asset exercises its right to purchase the asset or terminate the offtake agreement, we would need to reinvest the proceeds from the sale or termination payment in one or more assets with similar economic attributes to maintain our cash available for distribution. If we were unable to locate and acquire suitable replacement assets in a timely manner, it could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our Class A shareholders.

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In addition, some of the offtake agreements in our Initial Portfolio and offtake agreements we may enter into in the future allow or may allow the offtake counterparty to terminate the offtake agreement in the event certain operating thresholds or performance measures are not achieved within specified time periods. In the event an offtake agreement for one or more of our assets is terminated under such provisions, it could materially and adversely affect our results of operations and cash available for distribution until we are able to replace the offtake agreement on similar terms. We cannot provide any assurance that offtake agreements containing such provisions will not be terminated or, in the event of termination, we will be able to enter into a replacement offtake agreement. Furthermore, any replacement offtake agreement may be on terms less favorable to us than the offtake agreement that was terminated.

Risks Related to Our Financial Activities

Our level of indebtedness or restrictions in the new credit facilities of OpCo could adversely affect our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

On June 5, 2015, OpCo entered into a $525 million senior secured credit facility, consisting of a $300 million term loan facility, a $25 million delayed draw term loan facility and a $200 million revolving credit facility. The full amount of the term loan facility will be outstanding, approximately $11.5 million of letters of credit will be outstanding under our revolving credit facility, and the remaining portion of the revolving credit facility and the delayed draw term loan facility will be undrawn at the closing of this offering. In the future, we may significantly increase our debt to fund our operations or future acquisitions. This credit facility contains various covenants and restrictive provisions that limit OpCo s ability to, among other things:

- incur or guarantee additional debt;
- make distributions on or redeem or repurchase OpCo common units;
- make certain investments and acquisitions;
- incur certain liens or permit them to exist;
- enter into certain types of transactions with affiliates;
- merge or consolidate with another company; and
- transfer, sell or otherwise dispose of projects.

In addition, OpCo s debt could have important negative consequences on our financial conditions, including:

restricting the ability of OpCo s subsidiaries to make certain distributions to OpCo, OpCo s ability to make certain distributions to us and our ability to make certain distributions with respect to our Class A shares in light of restricted payment and other financial covenants in OpCo s credit facilities;

increasing our vulnerability to general economic and industry conditions;

requiring a substantial portion of OpCo s cash flow from operations to be dedicated to the payment of principal and interest on its indebtedness, therefore reducing its ability to pay distributions to us and our ability to pay distributions to our Class A shareholders or to use OpCo s cash flow to fund operations, capital expenditures and future business opportunities;

limiting our ability to enter into long-term offtake agreements because such offtake agreements require credit support which may not be permitted under our financing arrangements;

limiting our ability to enter into power interconnection agreements, which typically require credit support, which may not be permitted under our financing arrangements, for the construction of interconnection facilities and network upgrades to the transmission grid;

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- limiting our ability to fund operations or future acquisitions;

- exposing us to the risk of increased interest rates because certain of OpCo s borrowings are at variable rates of interest;

- limiting our ability to obtain additional financing for working capital, including collateral postings, capital expenditures, debt service requirements, acquisitions and general or other purposes; and

- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who have less debt.

The new credit facilities also will contain covenants requiring OpCo to maintain certain financial ratios, including as a condition to making cash distributions to us and its other unitholders. OpCo s ability to meet those financial ratios and tests can be affected by events beyond our control, and it may be unable to meet those ratios and tests and therefore may be unable to make cash distributions to its unitholders including us. As a result, we may be unable to make distributions to our Class A shareholders. In addition, the new credit facilities will contain events of default customary for transactions of this nature, including the occurrence of a change of control. Please read Management s Discussion and Analysis of Financial Condition and Results of Operations Significant Factors and Trends Affecting Our Business Liquidity and Capital Resources.

The provisions of the new credit facilities may affect our ability to pursue attractive business opportunities and our flexibility in planning for, and reacting to, changes in business conditions. A failure to comply with the provisions of the new credit facilities could result in an event of default, which could enable the lenders to declare, subject to the terms and conditions of the applicable credit facilities, any outstanding principal of that debt, together with accrued and unpaid interest, to be immediately due and payable and entitle lenders to enforce their security interest. If the payment of the debt is accelerated, the revenue from the projects may be insufficient to repay such debt in full, lenders could enforce their security interest and our Class A shareholders could experience a partial or total loss of their investment.

In addition, a high level of indebtedness increases the risk that we may default on our debt obligations. Our ability to meet our debt obligations and to reduce our level of indebtedness depends on our future performance. General economic conditions, commodity prices and financial, business and other factors affect our operations and our future performance. Many of these factors are beyond our control. We may not be able to generate sufficient cash flows to pay the interest on our debt and future working capital, borrowings or equity financing may not be available to pay or refinance such debt. Factors that will affect our ability to raise cash through an offering of our Class A shares or a refinancing of our debt include financial market conditions, the value of our assets and our performance at the time we need capital. Please read Management s Discussion and Analysis of Financial Condition and Results of Operations Significant Factors and Trends Affecting Our Business Liquidity and Capital Resources.

Risks Related to Our Relationship with Our Sponsors

Since the economic and management rights of First Solar and SunPower are impacted by the performance of our business in different ways, First Solar and SunPower may fail to agree on our management, which could adversely affect our ability to execute our business plan.

From the closing of this offering until November 30, 2019, our Sponsors will each own (i) 50% of the economic interests of Holdings, which represent the incentive distribution rights, and (ii) 50% of the management interests of Holdings, which represent the right to govern Holdings and our general partner. In addition, each of our Sponsors has certain rights to appoint the directors of our general partner and to nominate the officers of our general partner for approval by the board of our general partner. Beginning after November 30, 2019, the economic interests of our Sponsors are subject to adjustment annually based on the relative performance of each Sponsor s Project Entities and any additional assets contributed to OpCo by such Sponsor against the performance of all Project Entities held by OpCo. If, after the adjustment to a Sponsor s economic interests, such Sponsor has held at least 70% of the economic interests for at least two consecutive fiscal years, then such Sponsor shall have the option to require the other Sponsor to transfer part of its management interest to such Sponsor; thereby effectively giving such Sponsor management control. In addition, after November 30, 2019, payments on the economic interests of Holdings to our Sponsors are subject to an annual reallocation among the Sponsors based on the relative performance of the assets contributed by each Sponsor compared to the projected performance of such assets at the time of contribution. Each Sponsor can also lose its right to appoint directors and officers of our general partner in the event such Sponsor (i) holds less than 40% of the economic interests for the three previous fiscal years or (ii) if, in each of such three fiscal years, the cash generated and distributed, subject to certain exclusions, by one Sponsor s Project Entities and any additional assets contributed by such Sponsor to OpCo prior to the end of the most recent fiscal year is less than 40% of the cash generated and distributed, subject to certain exclusions, by both Sponsors Project Entities and any additional assets contributed by both Sponsors to OpCo prior to the end of the most recent fiscal year. In addition, in the event our Sponsors cannot agree on a management decision after a required negotiation period, either Sponsor can initiate a process that will result in the purchase by one Sponsor of the other Sponsor s interests in Holdings or a sale to a third party. A shift in control to one of our Sponsors could result in significant changes to our business plan, results of operations, financial condition and growth prospects.

While these provisions are intended to incentivize our Sponsors to contribute high-performing assets to us, they also cause our Sponsors to have differently aligned interests in us, which could cause them to disagree on certain management decisions, including the timing, selection, cost and financing of acquisitions. While our Sponsors are under no obligation to provide us additional acquisition opportunities, we expect our Sponsors will be our primary source for the acquisition of additional solar energy projects in the future. If our Sponsors do not agree on their management of us, one or both of them may choose not to offer us additional future solar energy projects which could have a material adverse effect on our ability to grow our business and make distributions to our Class A shareholders.

Our general partner and its affiliates, including our Sponsors, have conflicts of interest with us and limited duties to us and our Class A shareholders, and they may favor their own interests to the detriment of us and our Class A shareholders.

Following this offering, our Sponsors will indirectly own and control our general partner and will appoint all of our general partner s officers and directors. All of our general partner s executive officers and a majority of our general partner s initial directors also will be officers of our Sponsors. Conflicts of interest exist and may arise as a result of the relationships between our general partner and its affiliates, including our Sponsors, on the one hand, and us and our shareholders, on the other hand. Although our general partner has a duty to manage us in a manner beneficial to us and our shareholders, our general partner s directors and officers have fiduciary duties to manage our general partner in a manner beneficial to its owner, Holdings, which is owned by our Sponsors. In addition, under the Management Services Agreements, First Solar and SunPower will each provide certain services or arrange for certain services to be provided to us, including with respect to carrying out our day-to-day management and providing individuals to act as our general partner s executive officers. These same executive officers may help our general partner s board of directors evaluate potential acquisition opportunities presented by First Solar under the First Solar ROFO Agreement and SunPower under the SunPower ROFO Agreement.

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In resolving such conflicts of interest, our general partner may favor its own interests and the interests of its affiliates, including our Sponsors, over the interests of our shareholders. These conflicts include the following situations, among others:

- none of our partnership agreement, the Management Services Agreements or any other agreement requires First Solar, SunPower or their affiliates to pursue a business strategy that favors us or dictates what markets to pursue or grow. First Solar s and SunPower s directors and officers have a fiduciary duty to make these decisions in the best interests of First Solar and SunPower, respectively, which may be contrary to our interests;

- contracts between us, on the one hand, and our general partner and its affiliates, on the other, are not and may not be the result of arm s-length negotiations;

- our general partner s affiliates are not limited in their ability to compete with us and neither our general partner nor its affiliates have any obligation to present business opportunities to us except for the First Solar ROFO Projects and the SunPower ROFO Projects if they decide to sell the projects under the related ROFO Agreements during the term of such agreements;

- our general partner is allowed to take into account the interests of parties other than us, such as First Solar and SunPower, in resolving conflicts of interest;

- we do not have any officers or employees and rely solely on officers and employees of our general partner and its affiliates, including First Solar and SunPower. The officers of our general partner will also devote significant time to the business of First Solar and SunPower and will be compensated by First Solar and SunPower accordingly, as applicable;

- our partnership agreement replaces the fiduciary duties that would otherwise be owed by our general partner with contractual standards governing its duties and limits our general partner s liabilities and the remedies available to our shareholders for actions that, without these limitations, might constitute breaches of fiduciary duty under applicable Delaware law;

- except in limited circumstances, our general partner has the power and authority to conduct our business without shareholder approval;

- actions taken by our general partner may affect the amount of cash available to pay distributions to our Class A shareholders;

- our general partner determines which costs incurred by it are reimbursable by us;

- we reimburse our general partner and its affiliates for expenses;

- our general partner intends to limit its liability regarding our contractual and other obligations;

- our Class A shares are subject to our general partner s limited call right;

- our general partner controls the enforcement of the obligations that it and its affiliates owe to us, including First Solar s obligations under the First Solar ROFO Agreement and SunPower s obligations under the SunPower ROFO Agreement and our Sponsors other commercial agreements with us; and

- we may choose not to retain counsel, independent accountants or other advisors separate from those retained by our general partner to perform services for us or for the holders of our Class A shares.

Please read Conflicts of Interests and Duties.

A decision by our general partner to favor its own interests and the interests of our Sponsors over our interests and the interests of our shareholders could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

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Our Sponsors and other affiliates of our general partner are not restricted in their ability to compete with us.

Our partnership agreement provides that our general partner will be restricted from engaging in any business activities other than acting as our general partner and those activities incidental to its ownership of interests in us. Affiliates of our general partner, including our Sponsors, and their subsidiaries, are not prohibited, including under the Management Services Agreements, from owning solar energy projects or engaging in businesses that compete directly or indirectly with us. Our Sponsors currently hold interests in, and may make investments in and purchases of, entities that acquire, own and operate other power generators. Our Sponsors will be under no obligation to make any acquisition opportunities available to OpCo, other than under the First Solar ROFO Agreement and the SunPower ROFO Agreement.

Under the terms of our partnership agreement, the doctrine of corporate opportunity, or any analogous doctrine, does not apply to our general partner or any of its affiliates, including its executive officers and directors and our Sponsors. Any such person or entity that becomes aware of a potential transaction, agreement, arrangement or other matter that may be an opportunity for us will not have any duty to communicate or offer such opportunity to us. Any such person or entity will not be liable to us or to any limited partner for breach of any fiduciary duty or other duty by reason of the fact that such person or entity pursues or acquires such opportunity for itself, directs such opportunity to another person or entity or does not communicate such opportunity or information to us. This may create actual and potential conflicts of interest between us and affiliates of our general partner and result in less than favorable treatment of us and holders of our Class A shares.

If our Sponsors terminate their respective services agreements or other arrangements with us or our subsidiaries, or either of them defaults in the performance of its obligations thereunder, we may be unable to contract with a substitute service provider on similar terms, or at all, and may not get the expected benefit of such other arrangements.

We will rely on our Sponsors to provide us with administrative and management services under the Management Services Agreements and will not have independent executive or senior management personnel. Under these agreements, certain of our Sponsors employees will provide services to us. These services will not be the primary responsibility of these employees, nor will these employees be required to act for us alone. The Management Services Agreements will not require our Sponsors to engage any specific individuals for purposes of providing services to us and our Sponsors will have the discretion to determine which of their respective employees will perform the services required to be provided to us. Each of the Management Services Agreements will provide that First Solar and SunPower, respectively, may terminate the applicable agreement (i) upon 30 days prior written notice of termination to us if we default in the performance or observance of any material term, condition or covenant contained in the agreement in a manner that results in material harm to First Solar, SunPower or any of their respective affiliates (other than our subsidiaries and us), and the default continues unremedied for a period of 60 days after written notice of the breach is given to us, (ii) upon the happening of certain events relating to the bankruptcy or insolvency of Holdings, our general partner, OpCo, us or certain OpCo s subsidiaries, or (iii) if First Solar and SunPower and their respective affiliates (other than our subsidiaries and us) cease to control us. If either First Solar or SunPower terminates its Management Services Agreement or if either of them defaults in the performance of its obligations thereunder, we may be unable to contract with a substitute service provider on similar terms or at all, and the costs of substituting service providers may be substantial. In addition, our Sponsors are familiar with our projects and, as a result, our Sponsors have certain synergies with us. Substitute service providers would lack such synergies and may not be able to provide the same level of service to us. If we cannot locate a service provider that is able to provide us with substantially similar services as our Sponsors provide under the Management Services

Agreements on similar terms, it would likely have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

In addition, we will depend on our Sponsors to provide a substantial portion of the services required for the operation and maintenance and the administration and management of our projects. Our Sponsors may not perform their services as, when and where required. Additionally, in the event that our Sponsors have a dispute, they have agreed to a resolution provision that could ultimately eliminate the ownership of one or both of our Sponsors, allowing such Sponsor(s) to terminate any agreements under which they provide operation and maintenance or administration and management services to us. To the extent that First Solar or SunPower do not fulfill their obligations to manage operations of our projects, are not effective in doing so or terminate the agreements governing such services, we may not be able to enter into replacement agreements on favorable terms, or at all. If we are unable to enter into long-term replacement agreements to provide for operation and maintenance and the administration and management of our projects and other required services, we would seek to purchase the related services under short-term agreements, exposing us to market price volatility. In addition, if our Sponsors fail to comply with their indemnification obligations under tax equity financing arrangements for our current or future projects, we may be required to make payments thereunder, and such payments may be substantial. The failure of First Solar or SunPower to fulfill its obligations could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our Class A shareholders.

Our arrangements with our Sponsors limit their liability, and we have agreed to indemnify our Sponsors against claims that they may face in connection with such arrangements, which may lead our Sponsors to assume greater risks when making decisions relating to us than they otherwise would if acting solely for their own account.

Under the Management Services Agreements, our Sponsors and their affiliates will not assume any responsibility other than to provide or arrange for the provision of the services described in the applicable Management Services Agreement in good faith. Additionally, under the Management Services Agreements, the liability of our Sponsors and their affiliates will be limited to the fullest extent permitted by law to conduct involving bad faith, fraud or willful misconduct or, in the case of a criminal matter, to action that was known to have been unlawful. We will agree to indemnify our Sponsors and their affiliates to the fullest extent permitted by law from and against any claims, liabilities, losses, damages, costs or expenses incurred by an indemnified person or threatened in connection with our operations, investments and activities or in respect of or arising from the Management Services Agreements or the services provided by our Sponsors and their affiliates, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the conduct in respect of which such persons have liability as described above. Additionally, the maximum amount of the aggregate liability of our Sponsors or any of their affiliates in providing services under the Management Services Agreements or of any director, officer, employee, agent or other representative of our Sponsors or any of their affiliates, will be equal to the aggregate amount of the management fee received by the applicable Sponsor in the most recent calendar year. These protections may result in our Sponsors and their affiliates tolerating greater risks when making decisions than otherwise would be the case, including when determining whether to use leverage in connection with acquisitions. The indemnification arrangements to which our Sponsors and their affiliates are a party may also give rise to legal claims for indemnification, which could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

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The credit and risk profile of our general partner and its owners, our Sponsors, could adversely affect our credit ratings and risk profile, which could increase our borrowing costs or hinder our ability to raise capital.

The credit and business risk profiles of our general partner and our Sponsors may be considered in credit evaluations of us because our general partner, which is owned by our Sponsors, controls our business activities, including our and OpCo s cash distribution policy and growth strategy. Any adverse change in the financial condition of First Solar or SunPower, including the degree of its financial leverage and its dependence on cash flows from us to service its indebtedness, may adversely affect our credit ratings and risk profile.

If we were to seek a credit rating, our credit rating may be adversely affected by the leverage of our general partner, First Solar or SunPower, as credit rating agencies such as Standard & Poor s Ratings Services, Moody s Investors Service and Fitch Ratings, Inc. may consider the leverage and credit profile of First Solar or SunPower because of their ownership interests in and control of us. Any adverse effect on our credit rating would increase our cost of borrowing or hinder our ability to raise financing in the capital markets, which could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our Class A shareholders.

Risks Related to this Offering and Ownership of Our Class A Shares

Holders of our Class A shares have limited voting rights and are not entitled to elect our general partner or its directors.

Unlike the holders of common stock in a corporation, our shareholders have only limited voting rights on matters affecting our business and, therefore, limited ability to influence management s decisions regarding our business. Our shareholders will have no right on an annual or ongoing basis to elect our general partner or its board of directors. Rather, the board of directors of our general partner will be appointed by our Sponsors, indirectly through their ownership of Holdings. Furthermore, if our shareholders are dissatisfied with the performance of our general partner, they will have little ability to remove our general partner. As a result of these limitations, the price at which the Class A shares will trade could be diminished because of the absence or reduction of a takeover premium in the trading price. Our partnership agreement also contains provisions limiting the ability of shareholders to call meetings or to acquire information about our operations, as well as other provisions limiting the shareholders ability to influence the manner or direction of management.

Our partnership agreement restricts the remedies available to holders of our Class A shares for actions taken by our general partner that might otherwise constitute breaches of fiduciary duties.

Our partnership agreement contains provisions that restrict the remedies available to shareholders for actions taken by our general partner that might otherwise constitute breaches of fiduciary duties under state fiduciary duty law. For example, our partnership agreement provides that:

- whenever our general partner, the board of directors of our general partner or any committee thereof (including the conflicts committee) makes a determination or takes, or declines to take, any other action in their respective capacities, or an affiliate of the general partner causes the general partner to do so, our general partner, the board of directors of our general partner and any committee thereof (including the conflicts committee), as applicable, is required to make such determination, or take or decline to take such other action, in good faith, meaning that it subjectively believed that the decision was in, or not adverse to, the best interests of our partnership, and, except as specifically provided by our partnership agreement, will not be subject to any other or different standard imposed by our partnership agreement, Delaware law, or any other law, rule or regulation, or at equity;

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our general partner will not have any liability to us or our shareholders for decisions made in its capacity as a general partner so long as such decisions are made in good faith;

our general partner and its officers and directors will not be liable for monetary damages to us or our shareholders resulting from any act or omission unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our general partner or its officers and directors, as the case may be, acted in bad faith or engaged in fraud or willful misconduct or, in the case of a criminal matter, acted with knowledge that the conduct was unlawful; and

our general partner will not be in breach of its obligations under the partnership agreement (including any duties to us or our shareholders) if a transaction with an affiliate or the resolution of a conflict of interest is:

approved by the conflicts committee of our general partner s board of directors, although our general partner is not obligated to seek such approval;

approved by the vote of a majority of the outstanding shares, excluding any shares owned by our general partner and its affiliates, although our general partner is not obligated to seek such approval;

determined by the board of directors of our general partner to be on terms no less favorable to us than those generally being provided to or available from unrelated third parties; or

determined by the board of directors of our general partner to be fair and reasonable to us, taking into account the totality of the relationships among the parties involved, including other transactions that may be particularly favorable or advantageous to us.

In connection with a situation involving a transaction with an affiliate or a conflict of interest, any determination by our general partner, the board of directors of our general partner or any committee thereof (including the conflicts committee) must be made in good faith. If an affiliate transaction or the resolution of a conflict of interest is not approved by our shareholders or the conflicts committee and the board of directors of our general partner determines that the resolution or course of action taken with respect to the affiliate transaction or conflict of interest satisfies either of the standards set forth in the third and fourth subbullets above, then it will be presumed that, in making its decision, the board of directors of our general partner acted in good faith, and in any proceeding brought by or on behalf of any limited partner or the partnership challenging such determination, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption. Please read Conflicts of Interest and Duties.

Our partnership agreement restricts the voting rights of shareholders owning 10% or more of any class of shares then outstanding.

Shareholders voting rights are further restricted by a provision of our partnership agreement providing that any shares held by a person or related group that owns 10% (20% if our FERC application is approved) or more of any class of shares then outstanding, other than our general partner, its affiliates, their transferees and persons who acquired such shares with the prior approval of the board of directors of our general partner, cannot vote on any matter.

Our partnership agreement replaces our general partner s fiduciary duties to holders of our Class A shares with contractual standards governing its duties.

Our partnership agreement contains provisions that eliminate the fiduciary standards to which our general partner would otherwise be held by state fiduciary duty law and replace those standards with several different contractual standards. For example, our partnership agreement permits our general partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our general partner, free of any duties to us and our shareholders. This provision entitles our general partner and its affiliates to consider only the interests and factors that it desires and relieves it of any duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or our shareholders. Examples of decisions that our general partner and its affiliates may make in their individual capacities include:

- how to allocate corporate opportunities among us and its affiliates;
- whether to exercise its limited call right, preemptive rights or registration rights;
- whether to seek approval of the resolution of a conflict of interest by the conflicts committee of the board of directors of our general partner;
- how to exercise its voting rights with respect to the units it or its affiliates own in OpCo and us;
- whether to exchange its OpCo common units for our Class A shares; and
- whether to consent to any merger, consolidation or conversion of us or OpCo or to an amendment to our partnership agreement or the OpCo limited liability company agreement.

These decisions may be made by the owner of our general partner. At the time of this offering, Holdings, which is owned by our Sponsors, is the owner of our general partner.

By purchasing a Class A share, a Class A shareholder becomes bound by the provisions in the partnership agreement, including the provisions discussed above. Please read Conflicts of Interest and Duties Duties of Our General Partner.

Our general partner interest or the control of our general partner may be transferred to a third party without shareholder consent.

Our partnership agreement does not restrict the ability of Holdings to transfer all or a portion of its ownership interest in our general partner to a third party. The new owner of our general partner would then be in a position to replace the board of directors and officers of our general partner with its own designees and thereby exert significant control over the decisions made by the board of directors and officers.

The incentive distribution rights of our Sponsors, through Holdings, may be transferred to a third party without shareholder consent.

Our Sponsors may cause Holdings to transfer its incentive distribution rights to a third party at any time without the consent of our shareholders. If our Sponsors transfer their incentive distribution rights to a third party, they will have less incentive to support the growth of our partnership and an increase in our distributions. A transfer of incentive distribution rights by our Sponsors could reduce the likelihood of First Solar or SunPower selling or contributing additional solar energy projects to us, which in turn would impact our ability to grow our portfolio.

Our Sponsors, through Holdings, or any transferee holding a majority of the incentive distribution rights, may elect to cause OpCo to issue common units to Holdings in connection with a resetting of the target distribution levels related to the incentive distribution rights, without the approval of the conflicts committee of our general partner or our shareholders. This election may result in lower distributions to our Class A shareholders in certain situations.

The holder or holders of a majority of the incentive distribution rights, which is initially our Sponsors through Holdings, have the right, at any time when there are no OpCo subordinated units outstanding and the holders have received incentive distributions at the highest level to which they are entitled (200%) for each of the prior four consecutive fiscal quarters (and the aggregate amounts distributed in respect of such four-quarter period did not exceed adjusted operating surplus for such four-quarter period), to reset the minimum quarterly distribution and the initial target distribution levels at higher levels based on our cash distribution at the time of the exercise of the reset election. Following a reset election, the minimum quarterly distribution will be reset to an amount equal to the average cash distribution per unit for the two fiscal quarters immediately preceding the reset election (such amount is referred to as the reset minimum quarterly distribution), and the target distribution levels will be reset to correspondingly higher levels based on percentage increases above the reset minimum quarterly distribution. Our Sponsors have the right to transfer the incentive distribution rights at any time, in whole or in part, and any transferee holding a majority of the incentive distribution rights shall have the same rights as our Sponsors with respect to resetting target distributions.

In the event of a reset of the minimum quarterly distribution and the target distribution levels, the holders of the incentive distribution rights will be entitled to receive, in the aggregate, the number of OpCo s common units equal to that number of OpCo common units which would have entitled the holders to an average aggregate quarterly cash distribution in the prior two quarters equal to the average of the distributions on the incentive distribution rights in the prior two quarters. We anticipate that our general partner would exercise this reset right in order to facilitate acquisitions or internal expansion projects that would not otherwise be sufficiently accretive to cash distributions per OpCo common unit. It is possible, however, that our Sponsors or a transferee could exercise this reset election at a time when it is experiencing, or expects to experience, declines in the cash distributions it receives related to its incentive distribution rights and may therefore desire to be issued OpCo common units rather than retain the right to receive incentive distribution payments based on target distribution levels that are less certain to be achieved in the then-current business environment. This risk could be elevated if our incentive distribution rights have been transferred to a third party. As a result, a reset election may cause our Class A shareholders to experience reduction in the amount of cash distributions that they would have otherwise received had we not issued Class A shares to our general partner in connection with resetting the target distribution levels. Please read Provisions of Our Partnership Agreement and the OpCo Limited Liability Company Agreement Relating to Cash Distributions Holdings Right to Reset Incentive Distribution Levels.

Even if holders of our Class A shares are dissatisfied, they cannot initially remove our general partner without its consent.

Shareholders will be unable initially to remove our general partner or OpCo s managing member without its consent because our general partner and its affiliates will own sufficient shares upon completion of the offering to be able to prevent its removal. The vote of the holders of at least 66 2/3% of all outstanding shares (including shares owned by our general partner and its affiliates, including our Sponsors) is required to remove our general partner. Upon completion of this offering, our general partner and its affiliates, including our Sponsors, will own 71.8% of our Class B shares (or 67.6% of our Class B shares, if the underwriters exercise their option to purchase additional Class A shares). In addition, any vote to remove our general partner during the subordination period must provide for the election of a successor general partner by the holders of a majority of the Class A shares and a majority of the Class B shares, voting as separate classes. This will provide Holdings the ability to prevent the removal of our general partner.

Furthermore, shareholders voting rights are further restricted by the partnership agreement provision providing that any shares held by a person that owns 10% (20% if our FERC application is approved) or more of any class of shares then outstanding, other than our general partner, its affiliates, their transferees and persons who acquired such shares with the prior approval of the board of directors of our general partner, cannot vote on any matter.

Our partnership agreement also contains provisions limiting the ability of shareholders to call meetings or to acquire information about our operations, as well as other provisions limiting the shareholders ability to influence the manner or direction of management.

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Class A shareholders will experience immediate and substantial dilution in as adjusted net tangible book value of $15.01 per Class A share.

The initial public offering price of $21.00 per Class A share exceeds as adjusted net tangible book value of $5.99 per Class A share. Based on the initial public offering price of $21.00 per Class A share, shareholders will incur immediate and substantial dilution of $15.01 per Class A share. This dilution results primarily because some of the assets contributed to us by affiliates of SunPower are recorded at their historical cost in accordance with U.S. GAAP, and not their fair value. Please read Dilution.

We may issue additional Class A shares or other partnership interests without shareholder approval, which would dilute shareholder interests.

At any time, we may issue an unlimited number of limited partner interests of any type without the approval of our shareholders, and our shareholders (other than our Sponsors and their affiliates) will have no preemptive or other rights (solely as a result of their status as shareholders) to purchase any such limited partner interests. Further, there are no limitations in our partnership agreement on our ability to issue equity securities that rank equal or senior to our Class A shares as to distributions or in liquidation or that have special voting rights and other rights. The issuance by us of additional Class A shares or other equity securities of equal or senior rank will have the following effects:

- our existing shareholders proportionate ownership interest in us will decrease;
- the amount of cash we have available to distribute on each Class A share may decrease;
- because a lower percentage of total outstanding OpCo units will be OpCo subordinated units, the risk that a shortfall in payment of the minimum quarterly distribution will be borne by OpCo s common unitholders, including 8point3 Partners, will increase;
- the ratio of taxable income to distributions may increase;
- the relative voting strength of each previously outstanding share may be diminished; and
- the market price of our Class A shares may decline.

Our general partner has a limited call right that may require you to sell your Class A shares at an undesirable time or price.

If at any time our general partner and its affiliates, including our Sponsors, own more than 80% of the aggregate of the number of Class A shares then outstanding and the number of Class B shares equal to the number of OpCo common units owned by the Sponsors and their affiliates, our general partner will have the right, but not the obligation, which it may assign to any of its affiliates or to us, to acquire all, but not less than all, of the Class A shares held by unaffiliated persons at a price not less than their then-current market price, as calculated pursuant to the terms of our partnership agreement. As a result, you may be required to sell your Class A shares at an undesirable time or price and may not receive any return on your investment. You may also incur a tax liability upon a sale of your shares. At the completion of this offering, our general partner and its affiliates will own approximately 71.8% of our Class A shares. At the end of the subordination period (which could occur as early as August 31, 2016), assuming no additional issuances of Class A shares by us, our general partner and its affiliates will own OpCo common units convertible into approximately 21.8% of our outstanding Class A shares and therefore would not be able to exercise the call right at that time. For additional information about our general partner s call right, please read Material Provisions of the 8point3 Partners Partnership Agreement Limited Call Right.

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Reimbursements and fees owed to our general partner and its affiliates for services provided to us or on our behalf will reduce cash available for distribution. The amount and timing of such reimbursements and fees will be determined by our general partner and there are no limits on the amount that OpCo may be required to pay.

Under the OpCo limited liability company agreement, prior to making any distributions on OpCo s common units, OpCo will reimburse our general partner and its affiliates, including 8point3 Partners, for out-of-pocket expenses they incur and payments they make on our behalf. We expect out-of-pocket expenses to be immaterial for the twelve-month period ending May 31, 2016, because administrative services will be covered by the fee under the Management Services Agreements. OpCo will also pay certain fees and reimbursements under the Management Services Agreements prior to making any distributions on OpCo s common units, which we expect to be approximately $1.7 million for the twelve-month period ending May 31, 2016. The reimbursement of expenses and certain payments made under credit support arrangements and payment of fees, if any, to our general partner and its affiliates will reduce the amount of available cash OpCo has to pay cash distributions to us and the amount that we have available to pay distributions to our Class A shareholders. Under the OpCo limited liability company agreement, there is no limit on the fees and expense reimbursements OpCo may be required to pay. Please read Our Cash Distribution Policy and Restrictions on Distributions.

Our general partner s discretion in establishing cash reserves may reduce the amount of available cash.

The OpCo limited liability company agreement requires OpCo s managing member to deduct from operating surplus cash reserves that it determines are necessary to fund future operating expenditures. In addition, our partnership agreement and the OpCo limited liability company agreement permits our general partner to reduce available cash by establishing cash reserves for the proper conduct of business, to comply with applicable law or agreements to which we or our subsidiaries are a party or to provide funds for future distributions to OpCo s members and our partners. These cash reserves will affect the amount of cash distributed by OpCo and the amount of cash available for distribution to our Class A shareholders.

We and OpCo can borrow money to pay distributions, which would reduce the amount of credit available to operate our business.

The OpCo limited liability company agreement allows us to make working capital borrowings to pay distributions to our Class A shareholders or OpCo s unitholders. Accordingly, if we or OpCo have available borrowing capacity, we or OpCo can make distributions on our Class A shares or OpCo s common and subordinated units, as applicable, even though cash generated by our operations may not be sufficient to pay such distributions. Any working capital borrowings by us or OpCo to make distributions will reduce the amount of working capital borrowings we or OpCo can make for operations. For more information, please read Management s Discussion and Analysis of Financial Condition and Results of Operations Significant Factors and Trends Affecting Our Business Liquidity and Capital Resources.

Increases in interest rates could adversely impact the price of our Class A shares, our ability to issue equity or incur debt for acquisitions or other purposes and our ability to make cash distributions at our intended levels.

Interest rates on future credit facilities and debt offerings could be higher than current levels, causing our financing costs to increase accordingly. As with other yield-oriented securities, our share price is impacted by our level of our cash distributions and implied distribution yield. The distribution yield is often used by investors to compare and rank yield-oriented securities for investment decision-making purposes. Therefore, changes in interest rates, either positive or negative, may affect the yield

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requirements of investors who invest in our shares, and a rising interest rate environment could have an adverse impact on the price of our Class A shares, our ability to issue equity or incur debt for acquisitions or other purposes and our ability to make cash distributions at our intended levels.

There is no existing market for our Class A shares and a trading market that will provide shareholders with adequate liquidity may not develop. The price of our Class A shares may fluctuate significantly and shareholders could lose all or part of their investment.

Prior to this offering, there has been no public market for the Class A shares. After this offering, there will be 20,000,000 publicly traded Class A shares, assuming no exercise of the underwriters option to purchase additional Class A shares. We do not know the extent to which investor interest will lead to the development of a trading market or how liquid that market might be. Shareholders may not be able to resell their Class A shares at or above the initial public offering price. Additionally, the lack of liquidity may result in wide bid-ask spreads, contribute to significant fluctuations in the market price of the Class A shares and limit the number of investors who are able to buy the Class A shares.

The initial public offering price for our Class A shares will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of the market price of the Class A shares that will prevail in the trading market. The market price of our Class A shares may decline below the initial public offering price. The market price of our Class A shares may also be influenced by many factors, some of which are beyond our control, including:

- our quarterly distributions;
- our quarterly or annual earnings or those of other companies in our industry;
- announcements by us or our competitors of significant contracts or acquisitions;
- changes in accounting standards, policies, guidance, interpretations or principles;
- general economic conditions;
- the failure of securities analysts to cover our Class A shares after this offering or changes in financial estimates by analysts;
- future sales of our Class A shares; and
- the other factors described in these Risk Factors.

Except in limited circumstances, our general partner has the power and authority to conduct our business without shareholder approval.

Under our partnership agreement, our general partner has full power and authority to do all things, other than those items that require shareholder approval or with respect to which our general partner has sought conflicts committee approval, on such terms as it determines to be necessary or appropriate to conduct our business. In addition, since we are the managing member of OpCo, determinations made by us under the OpCo limited liability company agreement will be made at the direction of our general partner. Decisions that may be made by our general partner in accordance with our partnership agreement or the OpCo limited liability company agreement include:

- making any expenditures, lending or borrowing money, assuming, guaranteeing or contracting for indebtedness and other liabilities, issuing evidences of indebtedness, including indebtedness that is convertible into our securities, and incurring any other obligations;

- purchasing, selling, acquiring or disposing of our securities, or issuing additional options, rights, warrants and appreciation rights relating to our securities;

- acquiring, disposing, mortgaging, pledging, encumbering, hypothecating or exchanging any or all of our assets;

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- negotiating, executing and performing any contracts, conveyances or other instruments;
- making cash distributions;
- selecting and dismissing employees and agents, outside attorneys, accountants, consultants and contractors and determining their compensation and other terms of employment or hiring;
- maintaining insurance for our or OpCo s benefit and the benefit of our respective partners;
- forming, acquiring an interest in, contributing property to and making loans to any limited or general partnership, joint venture, corporation, limited liability company or other entity;
- controlling any matters affecting our rights and obligations, including bringing and defending of actions at law or in equity, otherwise engaging in the conduct of litigation, arbitration or mediation, incurring legal expenses and settling claims and litigation;
- indemnifying any person against liabilities and contingencies to the extent permitted by law;
- making tax, regulatory and other filings or rendering periodic or other reports to governmental or other agencies having jurisdiction over our business or assets; and
- entering into and terminating agreements with any of its affiliates to render services to us or to itself in the discharge of its duties as our general partner.

Our partnership agreement provides that our general partner must act in good faith when making decisions on our behalf, and our partnership agreement further provides that in order for a determination to be made in good faith, our general partner must subjectively believe that the determination is in, or not adverse to, the best interests of our partnership. Please read Material Provisions of the 8point3 Partners Partnership Agreement Meetings; Voting Rights for information regarding matters that require shareholder approval.

Contracts between us, on the one hand, and our general partner and its affiliates, on the other hand, will not be the result of arm s-length negotiations.

Our partnership agreement allows our general partner to determine, in good faith, any amounts to pay itself or its affiliates for any services rendered to us. Our general partner may also enter into additional contractual arrangements with any of its affiliates on our behalf. Our general partner will determine in good faith the terms of any arrangement or transaction entered into after the completion of this offering. Similarly, agreements, contracts or arrangements between us and our general partner and its affiliates that are entered into following the completion of this offering will not be required to be negotiated on an arm s-length basis, although, in some circumstances, our general partner may determine that the conflicts committee may make a determination on our behalf with respect to such arrangements.

Our general partner and its affiliates will have no obligation to permit us to use any assets or services of our general partner and its affiliates, except as may be provided in contracts entered into specifically for such use. There is no obligation of our general partner and its affiliates to enter into any contracts of this kind.

Class A shareholders will have no right to enforce the obligations of our general partner and its affiliates under agreements with us.

Any agreements between us, on the one hand, and our general partner and its affiliates, on the other hand, will not grant to the shareholders, separate and apart from us, the right to enforce the obligations of our general partner and its affiliates in our favor.

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Our general partner decides whether to retain separate counsel, accountants or others to perform services for us.

The attorneys, independent accountants and others who will perform services for us will be retained by our general partner. Attorneys, independent accountants and others who will perform services for us will be selected by our general partner or our conflicts committee and may perform services for our general partner and its affiliates. We may retain separate counsel for ourselves or the holders of shares in the event of a conflict of interest between our general partner and its affiliates, on the one hand, and us or the holders of shares, on the other, depending on the nature of the conflict. We do not intend to do so in most cases.

Shareholders may have to repay distributions that were wrongfully distributed to them.

Under certain circumstances, shareholders may have to repay amounts wrongfully distributed to them. Under Section 17-607 of the Delaware Revised Uniform Limited Partnership Act, or the Delaware LP Act, we may not make a distribution to our shareholders if the distribution would cause our liabilities to exceed the fair value of our assets. Delaware law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. Liabilities to partners on account of their partnership interest and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

While we believe we currently have effective internal control over financial reporting, we may identify a material weakness in our internal controls over financial reporting that could cause investors to lose confidence in the reliability of our financial statements and result in a decrease in the value of our Class A shares.

Our management is responsible for maintaining internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. GAAP.

We need to continuously maintain our internal control processes and systems and adapt them as our business grows and changes. This process is expensive, time-consuming and requires significant management attention. We cannot be certain that our internal control measures will continue to provide adequate control over our financial processes and reporting and ensure compliance with Section 404 of the Sarbanes-Oxley Act. Furthermore, as we grow our business or acquire other businesses, our internal controls may become more complex and we may require significantly more resources to ensure they remain effective. Failure to implement required new or improved controls, or difficulties encountered in their implementation, either in our existing business or in businesses that we may acquire, could harm our operating results or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm identify material weaknesses in our internal controls, the disclosure of that fact, even if quickly remedied, may cause investors to lose confidence in our financial statements and the trading price of our Class A shares may decline.

Remediation of a material weakness could require us to incur significant expense and if we fail to remedy any material weakness, our financial statements may be inaccurate, our ability to report our financial results on a timely and accurate basis may be adversely affected, our access to the capital markets may be restricted, the trading price of our Class A shares may decline, and we may be subject to sanctions or investigation by regulatory authorities, including the SEC or the NASDAQ. We may also be required to restate our financial statements from prior periods.

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The requirements of being a public company may strain our resources, divert management s attention and affect our ability to attract and retain qualified board members and officers.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act, the listing requirements of the NASDAQ and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results and maintain effective disclosure controls and procedures and internal control over financial reporting. To maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management s attention may be diverted from other business concerns, which could harm our business and operating results. Although we have already hired additional employees to comply with these requirements, we may need to hire more employees in the future, which will increase our costs and expenses.

We also expect that being a public company will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified executive officers and members of our board of directors, particularly to serve on our audit committee and compensation committee.

We will incur increased costs as a result of being a publicly traded partnership.

We have no history operating as a publicly traded partnership. As a publicly traded partnership, we will incur significant legal, accounting and other expenses. In addition, the Sarbanes-Oxley Act of 2002 and related rules subsequently implemented by the SEC and the NASDAQ have required changes in the corporate governance practices of publicly traded companies. We expect these rules and regulations to increase our legal and financial compliance costs and to make activities more time-consuming and costly. For example, as a result of becoming a publicly traded partnership, we are required to have at least three independent directors, create an audit committee and adopt policies regarding internal controls and disclosure controls and procedures, including the preparation of reports on our system of internal controls over financial reporting.

The NASDAQ does not require a publicly traded partnership like us to comply with certain of its corporate governance requirements.

We have been approved to list our Class A shares on the NASDAQ. Because we will be a publicly traded limited partnership, the NASDAQ does not require us, and we do not intend to have, a majority of independent directors on our general partner s board of directors or to establish a compensation committee or a nominating and corporate governance committee. Additionally, any future issuance of additional partnership interests, including to affiliates, will not be subject to the NASDAQ s shareholder approval rules that apply to a corporation. Accordingly, shareholders will not have the same protections afforded to certain corporations that are subject to all of the NASDAQ corporate governance requirements. Please read Management Management of 8point3 Partners.

Risks Related to Taxation

In addition to reading the following risk factors, if the shareholder is a non-U.S. investor, please read Certain U.S. Federal Income and Estate Tax Consequences to Non-U.S. Holders for a more complete discussion of certain expected U.S. federal income and estate tax consequences of owning and disposing of our Class A shares.

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Our future tax liability may be greater than expected if we do not generate NOLs sufficient to offset taxable income or if tax authorities challenge certain of our tax positions.

Even though we are organized as a limited partnership under state law, we will be treated as a corporation for U.S. federal income tax purposes and thus will be subject to U.S. federal income tax at regular corporate rates on our net taxable income. We expect to generate NOLs and NOL carryforwards that we can use to offset future taxable income. As a result, we do not expect to pay meaningful U.S. federal income tax for approximately ten years. This estimate is based upon assumptions we have made regarding, among other things, OpCo s income, capital expenditures and operating expenses and it ignores the effect of any possible acquisitions of additional assets, including the ROFO Projects. While we expect that our NOLs and NOL carryforwards will be available to us as a future benefit, in the event that they are not generated as expected, are successfully challenged by the Internal Revenue Service, or IRS, (in a tax audit or otherwise) or are subject to future limitations as described below, our ability to realize these benefits may be limited. Further, the IRS or other tax authorities could challenge one or more tax positions we or OpCo take, such as the classification of assets under the income tax depreciation rules, the characterization of expenses for income tax purposes, the extent to which sales, use or goods and services tax applies to operations in a particular state or the availability of property tax exemptions with respect to our projects, which could reduce the NOLs we generate. Further, any change in law may affect our tax position.

Our federal and state tax positions may be challenged by the relevant tax authority. The process and costs, including potential penalties for nonpayment of disputed amounts, of contesting such challenges, administratively or judicially, regardless of the merits, could be material. A reduction in our expected NOLs and NOL carryforwards, a limitation on our ability to use such losses, or other tax attributes, such as tax credits, and future tax audits or a challenge by tax authorities to our tax positions may result in a material increase in our estimated future income or other tax liabilities, which would negatively impact the amount of after-tax cash available for distribution to our Class A shareholders and our financial condition.

Our ability to use NOLs and NOL carryforwards to offset future income may be limited.

Our ability to use any NOLs generated by us could be substantially limited if we were to experience an ownership change as defined under Section 382 of the Internal Revenue Code of 1986, as amended, or Code. In general, an ownership change would occur if our 5-percent shareholders, as defined under Section 382 of the Code, including certain groups of persons treated as 5-percent shareholders, collectively increased their ownership in us by more than 50 percentage points over a rolling three-year period. An ownership change can occur as a result of a public offering of our Class A shares, as well as through secondary market purchases of our Class A shares and certain types of reorganization transactions. A corporation (including any entity that is treated as a corporation for U.S. federal income tax purposes) that experiences an ownership change will generally be subject to an annual limitation on the use of its pre-ownership change NOLs and NOL carryforwards (and certain other losses and/or credits) equal to the equity value of the corporation immediately before the ownership change, multiplied by the long-term tax-exempt rate (as determined by the IRS) for the month in which the ownership change occurs. Such a limitation could, for any given year, have the effect of increasing the amount of our U.S. federal income tax liability, which would negatively impact the amount of after-tax cash available for distribution to our Class A shareholders and our financial condition.

Distributions to Class A shareholders may be taxable as dividends.

Even though we are organized as a limited partnership under state law, we will be treated as a corporation for U.S. federal income tax purposes. Accordingly, if we make distributions from current or

accumulated earnings and profits as computed for U.S. federal income tax purposes, such distributions will generally be taxable to Class A shareholders as ordinary dividend income for U.S. federal income tax purposes. Distributions paid to non-corporate U.S. shareholders will be subject to U.S. federal income tax at preferential rates, provided that certain holding period and other requirements are satisfied. We estimate that we will have limited earnings and profits for eight or more years. However, it is difficult to predict whether we will generate earnings and profits as computed for U.S. federal income tax purposes in any given tax year, and although we expect that a portion of our distributions to Class A shareholders will exceed our current and accumulated earnings and profits as computed for U.S. federal income tax purposes and therefore constitute a non-taxable return of capital distribution to the extent of a shareholder s basis in its Class A shares, this may not occur. In addition, although return-of-capital distributions are generally non-taxable to the extent of a shareholder s basis in its Class A shares, such distributions will reduce the shareholder s adjusted tax basis in its Class A shares, which will result in an increase in the amount of gain (or a decrease in the amount of loss) that will be recognized by the shareholder on a future disposition of our Class A shares, and to the extent any return-of-capital distribution exceeds a shareholder s basis, such distributions will be treated as gain on the sale or exchange of the Class A shares.

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USE OF PROCEEDS

We will receive approximately $393.8 million of net proceeds from the sale of Class A shares offered hereby, after deducting the underwriting discount and the structuring fee but before offering expenses (which will be paid by our Sponsors).

We intend to use all of the net proceeds of this offering to purchase 20,000,000 OpCo common units from OpCo, representing approximately 28.2% of OpCo s outstanding limited liability company interests after this offering. OpCo intends to use (i) approximately $154.4 million of such net proceeds to make a cash distribution to First Solar, (ii) approximately $201.6 million of such net proceeds to make a cash distribution to SunPower and (iii) approximately $37.8 million of such net proceeds for general purposes, including to fund future acquisition opportunities.

If the underwriters exercise in full their option to purchase additional Class A shares, the additional proceeds to us will be approximately $59.1 million, after deducting the underwriting discount and the structuring fee but before offering expenses (which will be paid by our Sponsors). If and to the extent that the underwriters exercise their option to purchase additional Class A shares, the proceeds thereof will be used by us to purchase an equal number of common units of OpCo, and a number of additional OpCo common units and Class B shares equal to the number of Class A shares subject to the option not purchased by the underwriters will be issued to the Sponsors at the expiration of the option period for no additional consideration. OpCo will use the proceeds of any exercise of the underwriters option contributed to it to make an additional distribution to the Sponsors.

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CAPITALIZATION

The following table sets forth our predecessor s cash and cash equivalents and consolidated capitalization as of March 29, 2015, on: (i) a historical basis; (ii) a pro forma basis to give effect to the contribution by First Solar of the First Solar Project Entities; and (iii) on a pro forma basis to give effect to the Formation Transactions, borrowings under our new term loan facility and this offering, including the application of the net proceeds of this offering in the manner set forth under the heading Use of Proceeds.

You should read the following table in conjunction with the sections entitled Use of Proceeds, Selected Historical and Pro Forma Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our predecessor s combined financial statements and the accompanying notes included elsewhere in this prospectus.

	As of March 29, 2015		
	Predecessor	Pro Forma	Pro Forma As Adjusted(1)
		(In thousands)	
Cash and cash equivalents	$	$	$ 37,836
Indebtedness:			
Existing debt or financing obligation	$ 128,841	$ 128,841	$
New revolving credit facility(2)			
New term loan facility(2)			297,560
Total debt(3)	128,841	128,841	297,560
Net Sponsor investment/partners capital:			
Net First Solar investment		408,991	
Net SunPower investment	127,690	127,690	
Class A shares			393,128
Class B shares			
General partner interest			
Non-controlling interest			32,329
Total net Sponsor investment/partners capital	127,690	536,681	425,457
Total capitalization	$ 256,531	$ 665,522	$ 723,017

(1) Of the $654.3 million in net proceeds of this offering and the new term loan facility that will be distributed to our Sponsors, $283.8 million, or 43.4%, will be distributed to First Solar, and $370.5 million, or 56.6%, will be distributed to SunPower.

(2) On June 5, 2015, OpCo entered into a new $525 million senior secured credit facility, consisting of a $300 million term loan facility, a $25 million delayed draw term loan facility and a $200 million revolving credit facility. The full amount of the term loan facility will be outstanding, approximately $11.5 million of letters of

credit will be outstanding under our revolving credit facility, and the remaining portion of the revolving credit facility and the delayed draw term loan facility will be undrawn at the closing of this offering.

(3) Predecessor and Pro Forma columns exclude current portion of long-term debt of $21.1 million.

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DILUTION

Dilution is the amount by which the offering price paid by the purchasers of Class A shares sold in this offering will exceed the pro forma net tangible book value per Class A share after this offering. Net tangible book value per Class A share as of a particular date represents the amount of our predecessor s total tangible assets less our predecessor s total liabilities divided by the total number of Class A shares outstanding as of such date. For the purpose of calculating dilution, we are including in the number of Class A shares all Class A shares that would be issued if all OpCo subordinated units converted into OpCo common units and all OpCo common units held by the Sponsors were then exchanged for Class A shares. We refer to this calculation as on a fully diluted basis. As of March 29, 2015, after giving effect to the Formation Transactions, our net tangible book value would have been approximately $425.3 million, or $5.99 per Class A share. Purchasers of our Class A shares in this offering will experience substantial and immediate dilution in net tangible book value per Class A share as illustrated in the following table.

Assumed initial public offering price per Class A share		$ 21.00
Pro forma net tangible book value per Class A share before this offering(1)	$ 10.52	
Decrease in as adjusted net tangible book value per Class A share attributable to purchasers in this offering and distributions to Sponsors	(4.53)	
Less: Pro forma net tangible book value per Class A share after this offering(2)		5.99
Immediate dilution in as adjusted net tangible book value per Class A share attributable to purchasers in this offering		$ 15.01

(1) Determined by dividing the pro forma net tangible book value before the offering by the number of Class A shares (51,000,000) issuable to the Sponsors on a fully diluted basis.

(2) Determined by dividing the pro forma net tangible book value after the offering, after giving effect to the application of the net proceeds of this offering and the distribution of the net proceeds of the term loan facility, by the sum of the number of Class A shares (20,000,000) outstanding after this offering and the number of Class A shares (51,000,000) issuable to the Sponsors on a fully diluted basis.

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The following table sets forth, as of March 29, 2015, the number of Class A shares (on a fully diluted basis) acquired, the total consideration paid or exchanged and the average price per Class A share (on a fully diluted basis) paid by our Sponsors and by purchasers of our Class A shares in this offering and no exercise of the underwriters option to purchase additional Class A shares.

	Class A Shares Acquired		Total Consideration ($ in thousands)		Average Price Per Class A Share
	Number	Percent	Amount	Percent	
First Solar(1)	22,116,925	31.1%	$ 125,265	41.4%	$ 5.66
SunPower(2)	28,883,075	40.7%	(242,835)	(80.3)%	8.41
Purchasers in the offering	20,000,000	28.2%	420,000	138.9%	$ 21.00
Total	71,000,000	100%	$ 302,430	100%	

(1) The projects contributed by First Solar in connection with this offering will be recorded at fair value of $409.0 million. After giving effect to the distribution of the net proceeds of the term loan facility and the net proceeds of this offering, the fair value of the consideration to be provided by First Solar to OpCo in connection with this offering as of March 29, 2015, was approximately $125.3 million.

(2) The projects contributed by SunPower in connection with this offering will be recorded at carryover basis of $127.7 million. After giving effect to the distribution of the net proceeds of the term loan facility and the net proceeds of this offering, SunPower s member equity at book value will be approximately $(242.8) million. A portion of this negative basis is due to the fact that, as of March 29, 2015, the utility and C&I projects to be contributed by SunPower were still under construction and had not been reflected in either fixed assets or members equity. SunPower will provide funding for costs related to these projects through their applicable dates of completion.

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OUR CASH DISTRIBUTION POLICY AND RESTRICTIONS ON DISTRIBUTIONS

The following discussion of our cash distribution policy and estimated cash available for distribution contains certain assumptions and estimates relating to our future performance. Please read Assumptions and Considerations below. You should read the following discussion in conjunction with Forward-Looking Statements, Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations and our predecessor s financial statements and the notes included elsewhere in this prospectus.

General

Our Cash Distribution Policy

The board of directors of our general partner will adopt a cash distribution policy pursuant to which we intend to distribute at least the initial quarterly distribution of $0.2097 per Class A share ($0.8388 per Class A share on an annualized basis) and OpCo will distribute at least the minimum quarterly distribution of $0.2097 per common and subordinated unit ($0.8388 per common and subordinated unit on an annualized basis), in each case to the extent we have sufficient cash after the establishment of cash reserves and the payment of our expenses, including payments to our general partner and its affiliates. We expect that if we are successful in executing our business strategy, we will grow our business in a steady and sustainable manner and distribute to our shareholders and OpCo s unitholders a portion of any increase in our cash available for distribution resulting from such growth.

The board of directors of our general partner may change our distribution policy at any time and from time to time. Due to the substantial latitude our partnership agreement grants our general partner to spend cash or establish reserves, our partnership agreement does not require us to pay cash distributions on a quarterly or other basis.

Rationale for Our Cash Distributions

Our partnership agreement and OpCo s limited liability company agreement require us and OpCo to distribute our available cash quarterly. Generally, our available cash is all cash on hand at the date of determination in respect of such quarter, less the amount of cash reserves established by our general partner. Our general partner has not caused us or OpCo to establish any cash reserves, and does not have any specific types of expenses for which it intends to establish reserves. We expect that our cash reserves would be established to provide for the payment of income taxes payable by 8point3 Partners, if any. We expect our general partner may cause OpCo to establish reserves for specific purposes, such as major capital expenditures or debt service payments, or may choose to generally reserve cash in the form of excess distribution coverage from time to time for the purpose of maintaining stability or growth in our quarterly distributions. In addition, our general partner may cause us to borrow amounts to fund distributions in quarters when we generate less cash than is necessary to sustain or grow our cash distributions per Class A share and OpCo common unit. Our cash flow is generated from distributions we receive from OpCo each quarter. OpCo s cash flow is generated primarily from distributions from the Project Entities. As a result, our ability to make distributions to our Class A shareholders depends primarily on the ability of the Project Entities to make cash distributions to OpCo and the ability of OpCo to make cash distributions to its unitholders. We currently conduct no operations other than through our interest in OpCo and believe that our investors are best served by our distributing our available cash to our Class A shareholders as described below.

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Restrictions and Limitations on Our Cash Distributions and Our Ability to Change Our Cash Distribution Policy

It is possible that we may not receive quarterly distributions from OpCo and that our Class A shareholders may not receive quarterly distributions from us. Neither we nor OpCo have a legal obligation to pay any distributions. The requirements in our partnership agreement and the OpCo limited liability company agreement to distribute our respective available cash quarterly are subject to certain restrictions and limitations and may be changed at any time. These restrictions and limitations include the following:

Our ability to make distributions to our Class A shareholders and OpCo s ability to make distributions to its unitholders depends on the performance of our subsidiaries and their distribution of cash to us. The amount of cash that OpCo can distribute each quarter will be subject to restrictions on cash distributions under OpCo s new senior secured credit facility and restrictions contained in the governing documents of certain of OpCo s subsidiaries. Should OpCo be unable to satisfy the restrictions included in such agreements, OpCo may be limited in its ability to make distributions to us and we may be limited in our ability to make distributions to our Class A shareholders. In addition, the ability of our subsidiaries to make distributions to us may be restricted by, among other things, the provisions of future indebtedness, applicable state partnership and limited liability company laws and other laws and regulations.

Our general partner will have authority under our partnership agreement to establish cash reserves for us and OpCo. The establishment of those reserves could result in cash distributions to our Class A shareholders that are below our expectations. Any determination to establish cash reserves made by our general partner in good faith will be binding on our shareholders. Our partnership agreement provides that in order for a determination by our general partner to be considered to have been made in good faith, it must subjectively believe that the determination is in, or not adverse to, our best interests.

OpCo will reimburse our general partner and its affiliates for all direct and indirect expenses they incur on our behalf, including out of pocket expenses incurred by our Sponsors and their affiliates for services provided to us under the Management Services Agreements, and there is no limit on the amount of such expenses that may be reimbursed. OpCo will also be required to pay an annual management fee to our Sponsors under the Management Services Agreements regardless of the impact on cash OpCo would otherwise have available for distribution to its unitholders, including us, which could reduce or eliminate our ability to pay distributions to our Class A shareholders.

Under Section 18-607 of the Delaware Limited Liability Company Act, or the Delaware LLC Act, OpCo may not make a distribution to us and, under Section 17-607 of the Delaware LP Act, we may not make a distribution to our Class A shareholders if such distribution would cause OpCo s or our liabilities to exceed the fair value of our respective assets, as applicable.

OpCo may not have sufficient cash to pay distributions to its unitholders, including us, in any quarter due to cash flow shortfalls attributable to a number of operational, financial, commercial or other factors, including increases in G&A expenses, required payments of, or reserves for, principal and interest payments on indebtedness, working capital requirements and reserves for anticipated cash needs. OpCo s cash available for distribution to its unitholders is directly impacted by the cash expenses necessary to run our business and will be reduced dollar-for-dollar to the extent such expenses increase.

If and to the extent our and OpCo s cash available for distribution materially declines, our general partner may elect to reduce our and OpCo s quarterly cash distributions to service or repay indebtedness or fund capital expenditures.

All available cash distributed by OpCo on any date from any source will be treated as distributed from operating surplus until the sum of all available cash distributed since the closing of this offering equals the operating surplus from the closing of this offering through the end of the quarter immediately preceding that distribution. However, operating surplus, as defined in the OpCo limited liability company agreement, includes certain components, including a $45.0 million cash basket, that represent non-operating sources of cash. Accordingly, it is possible distributions that would otherwise be deemed as being made from capital surplus could be made from operating surplus. Any cash distributed by OpCo in excess of operating surplus will be deemed to be capital surplus under the OpCo limited liability company agreement. The OpCo limited liability company agreement treats a distribution of capital surplus as the repayment of the initial unit price on OpCo s common units (equal to the initial public offering price), which is a return of capital. Each time a distribution of capital surplus is made, OpCo s minimum quarterly distribution and target quarterly distribution levels will be reduced in the same proportion as the corresponding reduction in the unrecovered initial unit price (as defined below). We do not anticipate that OpCo will make any distributions from capital surplus. Please read Provisions of Our Partnership Agreement and the OpCo Limited Liability Company Agreement Relating to Cash Distributions.

Our Ability to Grow Our Business and Distributions

We intend to grow our business primarily through the acquisition of solar energy projects, which we believe will facilitate the growth of OpCo s cash available for distribution to OpCo s common unitholders, including us, and enable OpCo to increase its cash distributions per unit, enabling us to increase our cash distributions per Class A share, over time. However, the determination of the amount of cash distributions to be paid to holders of OpCo s units will be made by our general partner and will depend upon OpCo s financial condition, cash flow, results of operations, long-term prospects and any other matters that our general partner deems relevant.

We expect that we will rely primarily upon external financing sources, including commercial bank borrowings and issuances of debt and equity securities, to fund any growth capital expenditures, including any acquisitions of SunPower ROFO Projects, First Solar ROFO Projects, other Sponsor assets or assets from third parties. We do not have any commitment from our general partner or other affiliates, including our Sponsors, to provide any direct or indirect financial assistance to us following the closing of this offering. As a result, to the extent we are unable to finance growth externally, our cash distribution policy could significantly impair our ability to grow our business because we do not currently intend to reserve meaningful amounts of cash generated from operations to fund growth opportunities. If external financing is not available on acceptable terms, our general partner may decide to finance acquisitions with cash from operations, which would reduce or even eliminate cash available for distribution and our ability to pay distributions to holders of our Class A shares. To the extent we were to issue additional Class A shares to fund growth capital expenditures, we will be required to use the proceeds thereof to purchase an equal number of newly issued common units from OpCo, and the payment of distributions on those additional units may increase the risk that OpCo will be unable to maintain or increase its distributions per unit to OpCo s common unitholders, including us. There are no limitations in our partnership agreement or the OpCo limited liability company agreement, and there will be no limitations under OpCo s new senior secured credit facility, on our ability to issue additional shares or OpCo s ability to issue additional OpCo units, including other classes of shares, partnership interests or units that would have priority with respect to the payment of distributions over our Class A shares or OpCo s common units that we hold. Further, the incurrence of additional commercial bank borrowings or other debt to finance our growth would result in increased debt service obligations, which may reduce our cash available for distribution and our ability to pay distributions to holders of our Class A shares.

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Our Initial Quarterly Distribution

Upon the completion of this offering, the board of directors of our general partner will adopt a cash distribution policy pursuant to which we intend to distribute at least the initial quarterly distribution of $0.2097 per Class A share for each complete quarter, which is equal to OpCo s minimum quarterly distribution, or $0.8388 per Class A share on an annualized basis. We intend to use the distributions we receive from OpCo, less any reserves established by our general partner, to pay regular quarterly distributions to holders of our Class A shares. Our ability to make cash distributions will be subject to the factors described above under General Restrictions and Limitations on Our Cash Distributions and Our Ability to Change Our Cash Distribution Policy. Please read Provisions of Our Partnership Agreement and the OpCo Limited Liability Company Agreement Relating to Cash Distributions.

We will make quarterly distributions, if any, within 45 days after the end of each quarter, on or about the 15th day of each January, April, July and October to holders of record on or about the first day of each such month. If the distribution date does not fall on a business day, we will make the distribution on the first business day immediately following the indicated distribution date. We will adjust the amount of our distribution for the period from the completion of this offering through August 31, 2015, based on the actual length of the period.

The amount of available cash we need to pay the initial quarterly distribution on all of our Class A shares that will be outstanding immediately after this offering for one quarter and on an annualized basis is summarized in the table below. In order for us to pay these amounts, OpCo will have to distribute the minimum quarterly distribution on all of its common units. Please read Minimum Quarterly Distribution of OpCo below.

	No Exercise of Underwriters Option to Purchase Additional Class A Shares			Full Exercise of Underwriters Option to Purchase Additional Class A Shares		
		Aggregate Initial Quarterly Distribution			Aggregate Initial Quarterly Distribution	
(in thousands, except unit data)	**Number of Class A Shares**	**One Quarter**	**Annualized (Four Quarters)**	**Number of Class A Shares**	**One Quarter**	**Annualized (Four Quarters)**
Class A shares(1)	20,000,000	$ 4,194	$ 16,776	23,000,000	$ 4,823	$ 19,292
Class B shares(2)						
General partner interest(3)						
Total	20,000,000	$ 4,194	$ 16,776	23,000,000	$ 4,823	$ 19,292

(1) The total number of our Class A shares held by public shareholders will be equal to the total number of OpCo s common units held by us.
(2) Our Class B shares are not entitled to distributions.
(3) Our general partner owns a non-economic general partner interest.

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Minimum Quarterly Distribution of OpCo

Upon the completion of this offering, the OpCo limited liability company agreement will provide for a minimum quarterly distribution of $0.2097 per common and subordinated unit for each complete quarter, or $0.8388 per common and subordinated unit on an annualized basis. OpCo will adjust the amount of its distribution for the period from the completion of this offering through August 31, 2015, based on the actual length of the period. Assuming: (i) that our general partner does not establish any reserves, including reserves for income taxes payable by 8point3 Partners; and (ii) that neither we nor OpCo issues additional classes of equity securities, the per unit cash distributions we receive from OpCo will be equal to the per share cash distributions received by our Class A shareholders. The amount of available cash OpCo needs to pay the minimum quarterly distribution on all of OpCo s common and subordinated units, in each case to be outstanding immediately after this offering, for one quarter and on an annualized basis is summarized in the table below.

	No Exercise of Underwriters Option to Purchase Additional Class A Shares			Full Exercise of Underwriters Option to Purchase Additional Class A Shares		
		Aggregate Minimum Quarterly Distribution			Aggregate Minimum Quarterly Distribution	
(in thousands, except unit data)	**Number of Units**	**One Quarter**	**Annualized (Four Quarters)**	**Number of Units**	**One Quarter**	**Annualized (Four Quarters)**
OpCo common units held by us	20,000,000	$ 4,194	$ 16,776	23,000,000	$ 4,823	$ 19,292
OpCo common units held by our Sponsors	15,500,000	3,250	13,001	12,500,000	2,621	10,485
OpCo subordinated units held by our Sponsors	35,500,000	7,444	29,777	35,500,000	7,444	29,777
Managing member interest(1)						
Total	71,000,000	$ 14,888	$ 59,554	71,000,000	$ 14,888	$ 59,554

(1) We own a non-economic managing member interest.

Holdings will also hold the incentive distribution rights in OpCo, which entitle it to increasing percentages, up to an aggregate maximum of 50 percent, of the cash OpCo distributes in excess of $0.31455 per unit per quarter. Please read Provisions of Our Partnership Agreement and the OpCo Limited Liability Company Agreement Relating to Cash Distributions Incentive Distribution Rights.

Our partnership agreement requires us to distribute all available cash each quarter; however, the actual amount of our available cash for any quarter is subject to fluctuations based on the amount of cash we generate from our business, the amount of our expenses and the amount of reserves our general partner establishes in accordance with our partnership agreement and the OpCo limited liability company agreement, respectively.

In the following sections, we present in detail the basis for our belief that we will be able to fully fund our annualized initial quarterly distribution of $0.8388 per Class A share for the twelve-month period ending May 31, 2016 and

$0.8388 per Class A share for the twelve-month period ending May 31, 2017. In those sections, we present two tables, consisting of:

- Unaudited Pro Forma Cash Available for Distribution for the Twelve Months Ended March 29, 2015 and for the Year Ended December 28, 2014, in which we present the amount of cash we would have had available for distribution on a pro forma basis for the twelve months ended March 29, 2015 and for the year ended December 28, 2014, as adjusted to give effect to the Formation Transactions, including this offering; and

Estimated Cash Available for Distribution for the Twelve-Month Periods Ending May 31, 2016 and May 31, 2017, in which we present a forecast of cash available for distribution for us to pay our initial quarterly distribution on all of our Class A shares for the twelve-month periods ending May 31, 2016 and May 31, 2017.

Unaudited Pro Forma Cash Available for Distribution for the Twelve Months Ended March 29, 2015 and for the Year Ended December 28, 2014

On a pro forma basis, assuming we had completed this offering and related transactions as of December 30, 2013, OpCo s cash available for distribution would have been a deficit of approximately $4.1 million for the twelve months ended March 29, 2015. Therefore, OpCo would have been unable to pay any distributions on its units, and we would have been unable to pay any distributions on our Class A shares, for the twelve months ended March 29, 2015.

On a pro forma basis, assuming we had completed this offering and related transactions as of December 30, 2013, OpCo s cash available for distribution would have been a deficit of approximately $1.0 million for the year ended December 28, 2014. Therefore, OpCo would have been unable to pay any distributions on its units, and we would have been unable to pay any distributions on our Class A shares, for the year ended December 28, 2014.

Our calculation of unaudited pro forma cash available for distribution does not include a full year of revenues from projects that commenced commercial operation after the beginning of the relevant period. The table below assumes that our general partner has not established any reserves, including any reserves for the payment of our income taxes. We currently do not expect that we will pay meaningful federal income tax for a period of approximately ten years. As a result, we have assumed that all cash distributed by OpCo to us will be distributed to our Class A shareholders as shown in the table below. The table below also assumes that our general partner has not established any reserves for the proper conduct of OpCo s business, including any reserves to provide for future cash distributions to OpCo s unitholders, including us. The establishment of such reserves by our general partner could result in a reduction in cash distributions that we would otherwise receive from OpCo in a quarter, which in turn could result in a reduction in cash distributions to our Class A shareholders.

We have based the pro forma assumptions upon currently available information and estimates. The pro forma amounts below do not purport to present the results of our operations had this offering and the related transactions contemplated in this prospectus actually been completed as of the date indicated. As a result, the amount of pro forma cash available for distribution should only be viewed as a general indicator of the amount of cash available for distribution that we might have generated had we been formed and completed the transactions contemplated in this prospectus on December 30, 2013.

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The following table illustrates, on a pro forma basis for the twelve months ended March 29, 2015 and for the year ended December 28, 2014, the amount of cash that would have been available for distribution to OpCo s unitholders, including us, and to our shareholders, assuming the Formation Transactions had been completed on March 31, 2014 and December 30, 2013, respectively. Certain of the adjustments are explained in further detail in the footnotes to such adjustments.

In thousands	**Twelve Months Ended March 29, 2015**	**Year Ended December 28, 2014**
Pro forma operating revenues of OpCo	$ 12,980	$ 12,310
Pro forma operating costs and expenses:		
Cost of operations	90	(1,639)
General and administrative(a)	7,741	6,232
Depreciation, amortization and accretion	3,874	3,414
Total pro forma operating costs and expenses	11,705	8,007
Pro forma operating income	1,275	4,303
Interest expense and other expenses (b)	15,834	11,886
Pro forma income (loss) before taxes	(14,559)	(7,583)
(Provision for) benefit from income taxes	(12)	(23)
Equity in earnings of unconsolidated affiliates, net of tax	(8)	(776)
Pro forma net (loss) income of OpCo	(14,579)	(8,382)
Add:		
Depreciation, amortization and accretion	3,874	3,414
Interest expense	15,128	11,886
Income tax expense	12	23
Pro forma EBITDA of OpCo	4,435	6,941
Less:		
Equity in earnings of unconsolidated affiliates (c)	8	776
Cash interest paid	(11,550)	(11,550)
Cash income taxes paid		
Expansion capital expenditures (d)	(392,371)	(446,934)
Add:		
Cash distributions from unconsolidated affiliates (e)		
Capital contributed by sponsors to fund expansion capital expenditures (d)	392,371	446,934
Cash proceeds from sales-type residential leases, net (f)	3,013	2,872
Pro forma cash available for distribution to OpCo unitholders	$ (4,094)	$ (961)
Distributions to unitholders of OpCo at the minimum quarterly distribution annualized rate of $0.8388 per unit	$ 59,555	$ 59,555

Distributions to 8point3 Partners	16,776	16,776
Distributions to First Solar and SunPower common units	13,001	13,001
Distributions to First Solar and SunPower subordinated units		