

TERRAFORM GLOBAL, INC.
Form 8-K
August 03, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): August 3, 2016 (July 29, 2016)

TerraForm Global, Inc.
(Exact name of registrant as specified in its charter)

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|---|--------------------------|--------------------------------------|
| Delaware | 001-37528 | 47-1919173 |
| (State or other jurisdiction of incorporation or organization) | (Commission File Number) | (IRS Employer Identification No.) |

7550 Wisconsin Avenue, 9th Floor, Bethesda, Maryland 20814
(Address of principal executive offices, including zip code)

(240) 762-7700
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provision (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.02 Termination of a Material Definitive Agreement.

On July 29, 2016, TerraForm Global, LLC received a letter (the “Termination Letter”) from SunEdison, Inc. and SunEdison Holdings Corporations (together, “SunEdison”) purporting to terminate the Interest Payment Agreement dated as of August 5, 2015 (as amended, restated or modified from time to time, the “Agreement”), by and among TerraForm Global, LLC, TerraForm Global Operating, LLC (together, “TerraForm Global”), and SunEdison.

The Agreement was entered into as part of a suite of contemporaneous documents comprising SunEdison’s sponsorship of TerraForm Global. Under the Agreement, SunEdison agreed to pay an aggregate amount equal to all of the scheduled interest on TerraForm Global Operating, LLC’s (“Operating LLC”) senior notes due 2022 (the “Senior Notes”) up to \$81.2 million in 2016 (of which the additional outstanding amount that SunEdison is obligated to pay during the remainder of 2016 is \$37.1 million), and up to an aggregate amount of \$40.0 million in 2017, \$30.0 million in 2018, \$20.0 million in 2019 and \$10.0 million in 2020, plus any interest due on any payment not remitted when due. The reason cited for termination in the Termination Letter was the commencement of SunEdison’s proceedings under Chapter 11 of the United States Bankruptcy Code.

TerraForm Global contests the purported termination of the Agreement and believes that the Termination Letter is invalid. The reporting of this event under Item 1.02 does not constitute an acknowledgement by TerraForm Global that the Agreement has been properly terminated.

Termination of the Agreement, or a failure by SunEdison to comply with its obligations thereunder, would not impact Operating LLC’s obligation to continue to make scheduled interest payments on the Senior Notes. If the Agreement is terminated or SunEdison fails to comply with its obligations thereunder, Operating LLC expects to continue servicing its debt obligations on the Senior Notes with current liquidity and cash flow from operations.

Cautionary Note Regarding Forward-Looking Statements

This Form 8-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. These statements involve estimates, expectations, projections, goals, assumptions, known and unknown risks, and uncertainties and typically include words or variations of words such as “expect,” “anticipate,” “believe,” “intend,” “plan,” “seek,” “estimate,” “predict,” “project,” “goal,” “guidance,” “outlook,” “forecast,” “target,” “potential,” “continue,” “would,” “will,” “should,” “could,” or “may” or other comparable terms and phrases. Statements that address operating performance, events, or developments that TerraForm Global expects or anticipates will occur in the future are forward-looking statements. They may include future financial performance, liquidity, operational performance, capital structure, financing arrangements, or descriptions of assumptions underlying any of the above. Forward-looking statements provide TerraForm Global’s current expectations or predictions of future conditions, events, or results and speak only as of the date they are made. Although TerraForm Global believes its respective expectations and assumptions are reasonable, it can give no assurance that these expectations and assumptions will prove to have been correct and actual results may vary materially.

By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to, our relationship with SunEdison, including SunEdison’s bankruptcy filings and our reliance on SunEdison to perform under material intercompany

agreements and to provide management and accounting services, project level operation and maintenance and asset management services, to maintain critical information technology and accounting systems and to provide our employees; our ability to integrate the projects we acquire from third parties or otherwise realize the anticipated benefits from such acquisitions; actions of third parties, including but not limited to the failure of SunEdison to fulfill its obligations; price fluctuations, termination provisions and buyout provisions in offtake agreements; delays or unexpected costs during the completion of projects under construction; our ability to successfully identify, evaluate, and consummate acquisitions from SunEdison or third parties or changes in expected terms and timing of any acquisitions; regulatory requirements and incentives for production of renewable power; operating and financial restrictions under agreements governing indebtedness; the condition of the debt and equity capital markets and our ability to borrow additional funds and access capital markets; the impact of foreign exchange rate fluctuations; our ability to compete against traditional and renewable energy companies; hazards customary to the power production industry and power generation operations, such as unusual weather conditions and outages or other curtailment of our power plants; departure of some or all of SunEdison's employees that are dedicated to TerraForm Global; pending and future litigation; and our ability to operate our business efficiently, to operate and maintain our information technology, technical, accounting and generation monitoring systems, to manage and complete governmental filings on a timely basis, and to manage our capital expenditures, economic, social and political risks inherent in international operations, including operations in emerging markets and the impact of foreign exchange rate fluctuations, the imposition of currency controls and restrictions on repatriation of earnings and cash, protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements, conflicting international business practices that may conflict with other customs or legal requirements to which we are subject, inability to obtain, maintain or enforce intellectual property rights, and being subject to the jurisdiction of courts other than those of the United States, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so. Many of these factors are beyond TerraForm Global's control.

TerraForm Global disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions, factors, or expectations, new information, data, or methods, future events, or other changes, except as required by law. The foregoing list of factors that might cause results to differ materially from those contemplated in the forward-looking statements should be considered in connection with information regarding risks and uncertainties which are described in TerraForm Global's Prospectus, dated July 31, 2015, and Forms 10-Q with respect to the second and third quarters of 2015, as well as additional factors it may describe from time to time in other filings with the Securities and Exchange Commission or incorporated herein. You should understand that it is not possible to predict or identify all such factors and, consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

SIGNATURE

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

TERRAFORM
GLOBAL, INC.

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| | By: | /s/ Yana Kravtsova |
| Date: August 3, 2016 | Name: | Yana Kravtsova Senior Vice President, |
| | Title | General Counsel and Secretary |