UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year ended December 31, 2023

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Transition period from to .

Commission File Number: 333-203369

Clearway Energy LLC

(Exact name of registrant as specified in its charter)

Delaware			**32-0407370**
(State or other jurisdiction of incorporation or organization)			*(I.R.S. Employer Identification No.)*
300 Carnegie Center, Suite 300	**Princeton**	**New Jersey**	**08540**
	(Address of principal executive offices)		*(Zip Code)*

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

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

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☒ No ☐

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Clearway Energy LLC's outstanding equity interests are held by Clearway Energy, Inc. and Clearway Energy Group LLC and there are no equity interests held by non-affiliates.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date. There is no public market for the registrant's outstanding units.

Class	Outstanding at January 31, 2024
Class A Units	34,613,853
Class B Units	42,738,750
Class C Units	82,391,441
Class D Units	42,336,750

Documents Incorporated by Reference:
None.

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GLOSSARY OF TERMS

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

Term	Meaning
2028 Senior Notes	$850 million aggregate principal amount of 4.75% unsecured senior notes due 2028, issued by Clearway Energy Operating LLC
2031 Senior Notes	$925 million aggregate principal amount of 3.75% unsecured senior notes due 2031, issued by Clearway Energy Operating LLC
2032 Senior Notes	$350 million aggregate principal amount of 3.75% unsecured senior notes due 2032, issued by Clearway Energy Operating LLC
Adjusted EBITDA	A non-GAAP measure, represents earnings before interest (including loss on debt extinguishment), tax, depreciation and amortization adjusted for mark-to-market gains or losses, asset write offs and impairments; and factors which the Company does not consider indicative of future operating performance
ARO	Asset Retirement Obligation
ASC	The FASB Accounting Standards Codification, which the FASB established as the source of authoritative GAAP
ASU	Accounting Standards Updates – updates to the ASC
ATM Program	At-The-Market Equity Offering Program
BESS	Battery energy storage system
BlackRock	BlackRock, Inc.
Black Start	The capability of a generating asset to restore the grid in the event of a blackout without relying on the external electric power transmission network
Bridge Loan Agreement	Senior secured bridge credit agreement entered into by Clearway Energy Operating LLC that provides a term loan facility in an aggregate principal amount of $335 million that was repaid on May 3, 2022
CAFD	A non-GAAP measure, Cash Available for Distribution is defined as of December 31, 2023 as Adjusted EBITDA plus cash distributions/return of investment from unconsolidated affiliates, cash receipts from notes receivable, cash contributions from noncontrolling interests, adjustments to reflect sales-type lease cash payments and payments for lease expenses, less cash distributions to noncontrolling interests, maintenance capital expenditures, pro-rata Adjusted EBITDA from unconsolidated affiliates, cash interest paid, income taxes paid, principal amortization of indebtedness, changes in prepaid and accrued capacity payments, and adjusted for development expenses
Capistrano Wind Portfolio	Five wind projects representing 413 MW of capacity, which includes Broken Bow and Crofton Bluffs located in Nebraska, Cedro Hill located in Texas and Mountain Wind 1 and 2 located in Wyoming
CEG	Clearway Energy Group LLC (formerly Zephyr Renewables LLC)
CEG Master Services Agreement	Amended and Restated Master Services Agreements, dated as of February 2, 2023, among the Company, Clearway Energy, Inc., Clearway Energy Operating LLC and CEG
Clearway, Inc.	Clearway Energy, Inc., the holder of the Company's Class A and Class C units
Clearway Energy Group LLC	The holder of all shares of Clearway, Inc.'s Class B and Class D common stock and the Company's Class B and Class D units and, from time to time, possibly shares of Clearway, Inc.'s Class A and/or Class C common stock
Clearway Energy Operating LLC	The holder of the project assets that are owned by the Company
Clearway Renew	Clearway Renew LLC, a subsidiary of CEG, and its wholly-owned subsidiaries
COD	Commercial Operation Date
Code	Internal Revenue Code of 1986, as amended
Company	Clearway Energy LLC, together with its consolidated subsidiaries
CVSR	California Valley Solar Ranch
CVSR Holdco	CVSR Holdco LLC, the indirect owner of CVSR
Distributed Solar	Solar power projects, typically less than 20 MW in size (on an alternating current, or AC, basis), that primarily sell power produced to customers for usage on site, or are interconnected to sell power into the local distribution grid
Drop Down Assets	Assets under common control acquired by the Company from CEG

EPA	United States Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas, the ISO and the regional reliability coordinator of the various electricity systems within Texas
EWG	Exempt Wholesale Generator
Exchange Act	The Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FPA	Federal Power Act
FWS	U.S. Fish & Wildlife Service
GAAP	Accounting principles generally accepted in the U.S.
GenConn	GenConn Energy LLC
GHG	Greenhouse gas
GIM	Global Infrastructure Management, LLC, the manager of GIP
GIP	Global Infrastructure Partners
HLBV	Hypothetical Liquidation at Book Value
IRA	Inflation Reduction Act of 2022
IRS	Internal Revenue Service
ISO	Independent System Operator, also referred to as an RTO
ITC	Investment Tax Credit
KKR	KKR Thor Bidco, LLC, an affiliate of Kohlberg Kravis Roberts & Co. L.P.
kWh	Kilowatt Hour
LIBOR	London Inter-Bank Offered Rate
MBTA	Migratory Bird Treaty Act
Mesquite Star	Mesquite Star Special, LLC
MMBtu	Million British Thermal Units
Mt. Storm	NedPower Mount Storm LLC
MW	Megawatt
MWh	Saleable megawatt hours, net of internal/parasitic load megawatt-hours
MWt	Megawatts Thermal Equivalent
NEPA	National Environmental Policy Act
NERC	North American Electric Reliability Corporation
Net Exposure	Counterparty credit exposure to Clearway Energy LLC, net of collateral
NOLs	Net Operating Losses
NO_x	Nitrogen Oxides
NPNS	Normal Purchases and Normal Sales
NRG	NRG Energy, Inc.
OCI/OCL	Other comprehensive income/loss
O&M	Operations and Maintenance
PG&E	Pacific Gas and Electric Company
PJM	PJM Interconnection, LLC
PPA	Power Purchase Agreement
PTC	Production Tax Credit
PUCT	Public Utility Commission of Texas
PUHCA	Public Utility Holding Company Act of 2005
PURPA	Public Utility Regulatory Policies Act of 1978
QF	Qualifying Facility under PURPA
RA	Resource adequacy

RENOM	Clearway Renewable Operation & Maintenance LLC, a wholly-owned subsidiary of CEG
Rosie Central BESS	Rosie BESS Devco LLC
RPS	Renewable Portfolio Standards
RTO	Regional Transmission Organization
SCE	Southern California Edison
SEC	U.S. Securities and Exchange Commission
Senior Notes	Collectively, the 2028 Senior Notes, the 2031 Senior Notes and the 2032 Senior Notes
SO_2	Sulfur Dioxide
SOFR	Secured Overnight Financing Rate
SPP	Solar Power Partners
SREC	Solar Renewable Energy Credit
Thermal Business	The Company's thermal business, which consisted of thermal infrastructure assets that provided steam, hot water and/or chilled water, and in some instances electricity, to commercial businesses, universities, hospitals and governmental units
Thermal Disposition	The Company's sale of 100% of its interests in the Thermal Business to KKR, which was completed on May 1, 2022
TotalEnergies	TotalEnergies SE
U.S.	United States of America
Utah Solar Portfolio	Seven utility-scale solar farms located in Utah, representing 530 MW of capacity
Utility Scale Solar	Solar power projects, typically 20 MW or greater in size (on an alternating current, or AC, basis), that are interconnected into the transmission or distribution grid to sell power at a wholesale level
VIE	Variable Interest Entity

PART I

Item 1 — Business

General

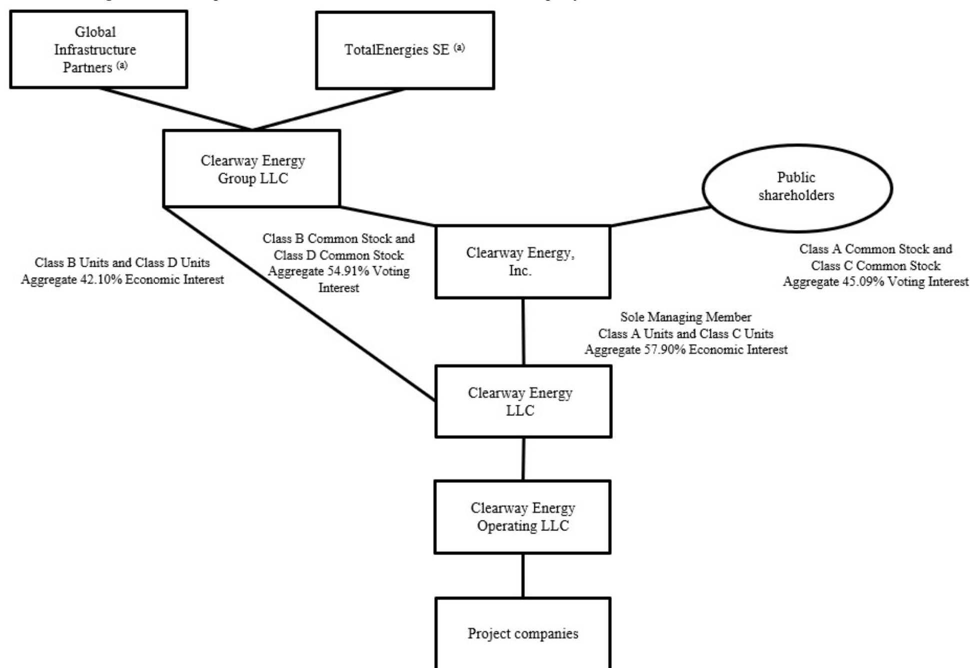
Clearway Energy LLC, together with its consolidated subsidiaries, or the Company, is an energy infrastructure investor with a focus on investments in clean energy and owner of modern, sustainable and long-term contracted assets across North America. The Company was formed as a Delaware limited liability company on March 5, 2013. The Company is sponsored by GIP and TotalEnergies through the portfolio company, Clearway Energy Group LLC, or CEG, which is equally owned by GIP and TotalEnergies. GIP is an independent infrastructure fund manager that makes equity and debt investments in infrastructure assets and businesses. TotalEnergies is a global multi-energy company. CEG is a leading developer of renewable energy infrastructure in the U.S. On January 12, 2024, BlackRock entered into a definitive agreement to acquire 100% of the business and assets of GIM, which is the investment manager of the GIP funds that own an interest in CEG. BlackRock has indicated that the transaction is expected to close in the third quarter of 2024, subject to regulatory approvals and other customary closing conditions. BlackRock is a publicly-traded global investment management firm.

The Company is one of the largest renewable energy owners in the U.S. with approximately 6,000 net MW of installed wind, solar and energy storage projects. The Company's approximately 8,500 net MW of assets also includes approximately 2,500 net MW of environmentally-sound, highly efficient natural gas-fired generation facilities. Through this environmentally-sound, diversified and primarily contracted portfolio, the Company endeavors to increase distributions to its unit holders. The majority of the Company's revenues are derived from long-term contractual arrangements for the output or capacity from these assets. The weighted average remaining contract duration of these offtake agreements was approximately 10 years as of December 31, 2023 based on CAFD. A complete listing of the Company's interests in facilities, operations and/or projects owned or leased as of December 31, 2023 can be found in Item 2 — *Properties.*

The Company is a holding company for the companies that directly and indirectly own and operate Clearway Energy, Inc.'s, or Clearway, Inc., business. CEG controls Clearway, Inc., and Clearway, Inc. in turn, as the sole managing member of the Company, controls the Company and its subsidiaries. Clearway, Inc. consolidates the results of the Company through its controlling interest, with CEG's interest shown as contributed capital in the Company's consolidated financial statements. The holders of Clearway, Inc.'s outstanding shares of Class A and Class C common stock are entitled to dividends as declared. CEG receives its distributions from the Company through its ownership of the Company's Class B and Class D units. From time to time, CEG may also hold shares of Clearway Inc's Class A and/or Class C common stock.

As of December 31, 2023, CEG owned 42,738,750 of the Company's Class B units and 42,336,750 of the Company's Class D units, while Clearway, Inc. owned 34,613,853 of the Company's Class A units and 82,391,441 of the Company's Class C units. Clearway, Inc., through its holdings of Class A units and Class C units, owned a 57.90% economic interest in the Company as of December 31, 2023. Additionally, CEG, through its holdings of Class B units and Class D units, owned a 42.10% economic interest in the Company as of December 31, 2023.

The diagram below represents a summarized structure of the Company as of December 31, 2023:



[a] GIP and TotalEnergies each own 50% of CEG through intermediate holding companies.

Business Strategy

The Company's primary business strategy is to focus on the acquisition and ownership of assets with predictable, long-term cash flows in order that it may be able to increase the distributions to Clearway, Inc. over time without compromising the ongoing stability of the business.

The Company's plan for executing its business strategy includes the following key components:

Focus on contracted renewable energy and conventional generation. The Company owns and operates utility scale and distributed renewable energy and natural gas-fired generation assets, as well as energy storage assets, with proven technologies, generally low operating risks and stable cash flows. The Company believes by focusing on this core asset class and leveraging its industry knowledge, it will maximize its strategic opportunities, be a leader in operational efficiency and maximize its overall financial performance.

Growing the business through acquisitions of contracted operating assets. The Company believes that its base of operations provides a platform for strategic growth through cash accretive and tax advantaged acquisitions complementary to its existing portfolio. In addition to acquiring generation facilities from third parties where the Company believes its knowledge of the market and operating expertise provides it with a competitive advantage, the Company may consummate future acquisitions from CEG. The Company believes that CEG's project development expertise provides the Company access to a development platform with an extensive pipeline of potential renewable energy and energy storage projects that are aligned to support the Company's growth. The Company and CEG work collaboratively in considering new assets to be acquired by the Company. The assets listed below represent the Company's currently committed investments in projects with CEG:

Asset	Technology	Gross Capacity (MW)	State	Estimated COD
Cedar Creek	Wind	160	ID	1H24
Cedro Hill Repowering	Wind	160	TX	2H24
Texas Solar Nova 2 [a]	Solar	200	TX	1H24

[a] Included in a co-investment partnership.

Primary focus on North America. The Company intends to focus its investments in North America. The Company believes that industry fundamentals in North America present it with significant opportunity to grow its portfolio without creating significant exposure to currency and sovereign risk. By focusing its efforts on North America, the Company believes it will best leverage its regional knowledge of power markets, industry relationships and skill sets to maximize the performance of the Company.

Maintain sound financial practices to grow the distributions. The Company intends to maintain a commitment to disciplined financial analysis and a balanced capital structure to enable it to increase its distributions over time and serve the long-term interests of its unit holders. The Company's financial practices include a risk and credit policy focused on transacting with creditworthy counterparties; a financing policy, which focuses on seeking an optimal capital structure through various capital formation alternatives to minimize interest rate and refinancing risks, ensure stable distributions and maximize value.

Competition

Power generation is a capital-intensive business with numerous and diverse industry participants. The Company competes on the basis of the location of its plants and on the basis of contract price and terms of individual projects. Within the power industry, there is a wide variation in terms of the capabilities, resources, nature and identity of the companies with whom the Company competes depending on the market. Competitors for energy supply are utilities, independent power producers and other providers of distributed generation. The Company also competes to acquire new projects with renewable developers who retain renewable power plant ownership, independent power producers, financial investors and other growth-oriented companies. Competitive conditions may be substantially affected by capital market conditions and by various forms of energy legislation and regulation considered by federal, state and local legislatures and administrative agencies, including tax policy. Such laws and regulations may substantially increase the costs of acquiring, constructing and operating projects, and it could be difficult for the Company to adapt to and operate under such laws and regulations.

Competitive Strengths

Stable, high quality cash flows. The Company's facilities have a stable, predictable cash flow profile consisting of long-life electric generation assets that primarily sell electricity under long-term fixed priced contracts or pursuant to regulated rates with investment-grade and certain other creditworthy counterparties. The majority of the Company's facilities have minimal fuel risk, as the Renewables facilities have no fuel costs, however, the Company's merchant conventional assets need to procure their own fuel. The offtake agreements for the Company's conventional and renewable facilities have a weighted-average remaining duration, based on CAFD, of approximately 10 years as of December 31, 2023, providing long-term cash flow stability. The Company's offtake agreements with counterparties for whom credit ratings are available have a weighted-average Moody's rating of Ba1 based on rated capacity under contract. All of the Company's assets are in the U.S. and accordingly have no currency or repatriation risks.

Environmentally well-positioned portfolio of assets. The Company's portfolio consists of approximately 6,000 net MW of installed wind, solar and energy storage projects that are predominantly non-emitting sources of power generation. Additionally, the Company's California conventional assets consist of efficient gas generation facilities that support electric system reliability. The Company does not anticipate having to expend any significant capital expenditures in the foreseeable future to comply with current environmental regulations applicable to its generation assets. Taken as a whole, the Company believes its strategy will be a net beneficiary of current and potential environmental legislation and regulatory requirements that may serve as a catalyst for capacity retirements and improve market opportunities for environmentally well-positioned assets like the Company's assets once its current offtake agreements expire.

High quality, long-lived assets with low operating and capital requirements. The Company benefits from a portfolio of relatively newer assets. The Company's assets are largely comprised of proven and reliable technologies, provided by leading original wind, solar and energy storage equipment manufacturers, including First Solar, General Electric, Siemens Energy AG, SunPower, Vestas and Wärtsilä. Given the nature of the portfolio, which includes a substantial number of relatively low operating and maintenance cost wind, solar and energy storage projects, the Company expects to achieve high fleet availability and expend modest maintenance-related capital expenditures.

Significant scale and diversity. The Company is one of the largest renewable energy owners in the U.S. with approximately 6,000 net MW of installed wind, solar and energy storage projects. The Company's approximately 8,500 net MW of assets also includes approximately 2,500 net MW of environmentally-sound, highly efficient natural gas-fired generation facilities. The Company's contracted renewable and conventional generation assets benefit from significant diversification in terms of technology, fuel type, counterparty and geography. The Company believes its scale and access to best practices across the fleet improves its business development opportunities through enhanced industry relationships, reputation and understanding of regional power market dynamics. Furthermore, the Company's diversification reduces its operating risk profile and reliance on any single market.

Relationship with GIP, TotalEnergies and CEG. The Company believes that its relationship with GIP, TotalEnergies and CEG provides significant benefits. Global Infrastructure Management, LLC, or GIM, the manager of GIP, is an independent infrastructure fund manager that makes equity and debt investments in infrastructure assets and businesses in both the Organization for Economic Co-operation and Development (OECD) and select emerging market countries. GIM has a strong track record of investment and value creation in the renewable energy sector. GIM also has extensive experience with publicly traded yield vehicles and development platforms, ranging from Europe's first application of a yield company/development company model to the largest renewable platform in Asia-Pacific. TotalEnergies is a global multi-energy company that produces and markets energies in more than 130 countries. Additionally, the Company believes that CEG provides the Company access to a highly capable renewable development and operations platform that is aligned to support the Company's growth.

Segment Review

The following tables summarize the Company's operating revenues, net income (loss) and assets by segment, as discussed in Item 15 — Note 12, *Segment Reporting*.

	Year ended December 31, 2023			
(In millions)	**Conventional Generation**	**Renewables**	**Corporate**	**Total**
Operating revenues	$ 420	$ 894	$ —	$ 1,314
Net income (loss)	109	(12)	(110)	(13)
Total assets	2,058	12,205	425	14,688

	Year ended December 31, 2022				
(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Corporate**	**Total**
Operating revenues	$ 417	$ 696	$ 77	$ —	$ 1,190
Net income (loss) [(a)]	161	(58)	17	1,162	1,282
Total assets	2,251	9,515	—	546	12,312

[(a)] Corporate net income includes the $1.29 billion gain on the sale of the Thermal Business to KKR, which was completed on May 1, 2022.

(In millions)	Year ended December 31, 2021 Conventional Generation	Renewables	Thermal	Corporate	Total
Operating revenues	$ 441	$ 641	$ 204	$ —	$ 1,286
Net income (loss)	172	(65)	22	(192)	(63)

Policy Incentives

U.S. federal, state and local governments have established various policy incentives to support the development, financing, ownership and operation of renewable energy projects. These incentives include PTCs, ITCs, accelerated tax depreciation, cash grants, tax abatements and RPS programs which have the effect of decreasing the costs and risks associated with developing and operating such projects or creating demand for renewable energy assets. In particular,

- Owners of wind facilities are eligible to claim the PTC, or an ITC in lieu of the PTC, provided that certain requirements are met. Similarly, owners of solar facilities are eligible to claim the ITC or, for facilities placed in service after August 16, 2022, the PTC, or an ITC in lieu of the PTC, provided certain requirements are met. Additionally, owners of energy storage facilities are eligible to claim the ITC for facilities placed in service after December 31, 2022, provided certain requirements are met. The PTC is an annual credit that is based on the amount of electricity sold by the facility during the first ten years after the facility is first placed in service. The ITC is a one-time credit that is based on a percentage of the cost of the facility and is claimed for the tax year in which the facility is first placed in service. Depending on the type of taxpayer, the PTC or ITC may be sold to an unrelated third party for cash, or in certain cases, direct payment from the government may be received. In order to qualify for the full amount of these credits in the case of facilities whose construction began on or after January 30, 2023, certain prevailing wage and apprenticeship requirements generally must be satisfied. For facilities that begin construction after December 31, 2024, the PTC and ITC will no longer apply and such facilities may instead be eligible for the clean electricity production credit or clean electricity investment credit, respectively. In order to qualify for these new credits, the facility's greenhouse gas emissions cannot be greater than zero.
- Pursuant to the U.S. federal Modified Accelerated Cost Recovery System, or MACRS, wind and solar projects are generally depreciable for tax purposes over a five-year period (before taking into account certain conventions) even though the useful life of such projects is generally much longer than five years. Federal income tax law also provides for immediate and 100% expensing and deductibility for eligible property acquired and placed in service after September 27, 2017, and before January 1, 2023, with phase downs permitting 80%, 60%, 40% and 20% expensing and deductibility for property acquired and placed in service during 2023, 2024, 2025 and 2026, respectively.
- RPS programs, currently in place in certain states and territories, require electricity providers in the state or territory to meet a certain percentage of their retail sales with energy from renewable sources. Additionally, other states in the U.S. have set renewable energy goals to reduce GHG emissions from historic levels. The Company believes that these standards and goals will create incremental demand for renewable energy in the future.

The elimination of, loss of, or reduction in, the incentives discussed above could decrease the attractiveness of renewable energy projects to developers, including, but not limited to, CEG, which could reduce the Company's acquisition or development opportunities. Such an elimination, loss or reduction could also reduce the Company's willingness to pursue or develop certain renewable energy projects due to higher operating costs or decreased revenues under its PPAs.

Regulatory Matters

As owners of power plants and participants in wholesale energy markets, certain of the Company's subsidiaries are subject to regulation by various federal and state government agencies. These agencies include FERC and the PUCT, as well as other public utility commissions in certain states where the Company's assets are located. Each of the Company's U.S. generating facilities qualifies as an EWG or QF. In addition, the Company is subject to the market rules, procedures and protocols of the various ISO and RTO markets in which it participates. Likewise, certain of the Company's subsidiaries must also comply with the mandatory reliability requirements imposed by NERC and the regional reliability entities in the regions where the Company has generating facilities subject to NERC's reliability authority. The Company's operations within the ERCOT footprint are not subject to rate regulation by FERC, as they are deemed to operate solely within the ERCOT market and not in interstate commerce. These operations are subject to regulation by PUCT. Similarly, the Company's operations within Hawaii are not subject to rate regulation by FERC, as they are deemed to operate solely within the State of Hawaii and not in interstate commerce.

FERC

FERC, among other things, regulates the transmission and the wholesale sale of electricity in interstate commerce under the authority of the FPA. The transmission and sale of electric energy occurring wholly within ERCOT and Hawaii is not subject to FERC's jurisdiction. Under existing regulations, FERC has the authority to determine whether an entity owning a generation facility is an EWG, as defined in the PUHCA. FERC also has the authority to determine whether a generation facility meets the applicable criteria of a QF under the PURPA. Each of the Company's U.S. generating facilities qualifies as either an EWG or QF.

The FPA gives FERC exclusive rate-making jurisdiction over the wholesale sale of electricity and transmission of electricity in interstate commerce of public utilities (as defined by the FPA). Under the FPA, FERC, with certain exceptions, regulates owners and operators of facilities used for the wholesale sale of electricity or transmission in interstate commerce as public utilities, and is charged with ensuring that market rules are just and reasonable.

Public utilities are required to obtain FERC's acceptance, pursuant to Section 205 of the FPA, of their rate schedules for the wholesale sale of electricity. Several of the Company's QF generating facilities and all of the Company's non-QF generating facilities located in the U.S. outside of ERCOT and Hawaii make sales of electricity pursuant to market-based rates, as opposed to traditional cost-of-service regulated rates. FERC conducts a review of the market-based rates of Company public utilities and potential market power every three years according to a regional schedule established by FERC.

In accordance with the Energy Policy Act of 2005, FERC has approved the NERC as the national Energy Reliability Organization, or ERO. As the ERO, NERC is responsible for the development and enforcement of mandatory reliability standards for the wholesale electric power system, with such authority delegated in part to regional reliability entities charged with enforcement of mandatory reliability standards for the region which they are responsible for overseeing.

The PURPA was passed in 1978 in large part to promote increased energy efficiency and development of independent power producers. The PURPA created QFs to further both goals, and FERC is primarily charged with administering the PURPA as it applies to QFs. QFs are exempt from certain regulations under the FPA.

The PUHCA provides FERC with certain authority over and access to books and records of public utility holding companies not otherwise exempt by virtue of their ownership of EWGs and QFs. The Company is exempt from many of the accounting, record retention, and reporting requirements of the PUHCA.

Environmental Matters

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

A number of regulations that may affect the Company are under review for potential revision or rescission in 2024. The Company will evaluate the impact of the legislation and regulations as they are revised but cannot fully predict the impact of each until anticipated revisions and legal challenges are resolved. To the extent that proposed legislation and new or revised regulations restrict or otherwise impact the Company's operations, the proposed legislation and regulations could have a negative impact on the Company's financial performance.

Proposed Federal MBTA Incidental Take Legislation and Regulations — On October 4, 2021, U.S. Fish and Wildlife Service, or FWS, issued the final MBTA rule, effective December 3, 2021, restoring the MBTA to prohibit the incidental take of migratory birds. In 2021, FWS issued an advance notice of proposed rulemaking advising that it intends to gather information necessary to develop proposed regulations to authorize the incidental take of migratory birds under prescribed conditions and prepare a draft environmental review pursuant to the National Environmental Policy Act, or NEPA. Throughout 2022, FWS sought comments on the content of the proposed rule. In November 2023, FWS withdrew the draft MBTA permit program rule from the Office of Information and Regulatory Affairs to address technical comments received from agencies. FWS has indicated that the rule is likely to be published in the second half of 2024.

Federal Eagle Incidental Take Permit Rule — On September 30, 2022, FWS published in the Federal Register a draft rule revising the eagle incidental take permit program. Comments on the revised rule continued to be accepted during 2023. The final eagle incidental take permit rule was published in the Federal Register on February 12, 2024 and will become effective on April 13, 2024. The final rule is anticipated to provide an expedited eagle take permitting and lower cost path for many wind facilities.

Local California Air District Rules — Air districts, including the Bay Area Air Quality Management District and the San Diego Air Pollution Control District, have recently proposed and/or updated new source review permitting requirements, including to incorporate public notice requirements as well as updates to programs addressing toxic air contaminants. Rulemaking in the Los Angeles Air Basin, as regulated by South Coast Air Quality Management District, or SCAQMD, continues to update command-and-control regulations that limit NOx emissions for stationary sources in preparation for sunsetting SCAQMD's Regional Clean Air Market, or RECLAIM, cap and trade program in the next few years. The Company's conventional generation plants meet the district's existing and proposed amendments to command-and-control regulations. Proposed updates to local California Air District Rules are not expected to affect the operations nor compliance of the Company's conventional generation plants.

Amendments to NEPA — On June 3, 2023, President Biden signed the Fiscal Responsibility Act of 2023, or FRA, into law, which includes amendments to the NEPA, aimed at streamlining the environmental review process. Following the FRA, on July 31, 2023, the White House Council on Environmental Quality, or CEQ, published a proposed rule, the Bipartisan Permitting Reform Implementation Rule, which seeks to revise, update and modernize the existing regulations under the NEPA and includes provisions regarding robust public involvement, environmental justice, and climate change, or the Phase 2 Proposed Rule. The public comment period on the Phase 2 Proposed Rule closed on September 29, 2023 and the final rule has not yet been published.

Customers

The Company sells its electricity and environmental attributes, including RECs, primarily to local utilities under contractual arrangements. During the year ended December 31, 2023, the Company derived approximately 24% of its consolidated revenue from Southern California Edison, or SCE, and approximately 17% of its consolidated revenue from PG&E.

Human Capital

As of December 31, 2023, the Company had 61 employees. The Company also depends upon personnel of CEG for the provision of asset management, administration and O&M services.

The Company focuses on attracting, developing and retaining a team of highly talented and motivated employees. The Company regularly conducts assessments of its compensation and benefit practices and pay levels to help ensure that staff members are compensated equitably and competitively. The Company devotes extensive resources to staff development and training, including tuition assistance for career-enhancing academic and professional programs. Employee performance is measured in part based on goals that are aligned with the Company's annual objectives. The Company recognizes that its success is based on the talents and dedication of those it employs, and the Company is highly invested in their success.

The Company is committed to maintaining a workplace that acknowledges, encourages, and values diversity and inclusion and provides its employees with unconscious bias training. The Company believes that individual differences, experiences, and strengths enrich the culture and fabric of its organization. Having employees with backgrounds and orientations that reflect a variety of viewpoints and experiences also helps the Company to better understand the needs of its customers and the communities in which it operates.

By leveraging the multitude of backgrounds and perspectives of its team and developing ongoing relationships with diverse vendors, the Company achieves a collective strength that enhances the workplace and makes the Company a better business partner to its customers and others with a stake in the Company's success.

The Company also has an Equity, Partnership & Inclusion Council, or EPIC. As part of its commitment, the Company provides education on topics related to diversity, inclusion and equity. The Company identified three areas of focus: Our People; Our Brand, Customers and Community; and Our Purchasing. With the involvement of its employees, EPIC is advancing efforts in each of these areas to identify and implement opportunities for the Company to address equity, partnership and inclusion issues in its business activities.

Our People focuses on education and training; diversity, equity and inclusion policies and recruitment strategies; community and industry partnerships; and maintaining high employee engagement and retention.

Our Brand, Customers & Community focuses on pursuing opportunities that provide more equitable access to renewable energy; broadening participation for small to medium enterprises; supporting the diversity, equity and inclusion goals of the Company's offtakers; building robust community engagement relationships; and meaningfully representing that work in the external market.

Our Purchasing focuses on establishing a non-discriminatory practices standard for the Company's suppliers, diverse vendor sourcing and benchmarking.

In addition to the personnel of CEG, the Company relies on other third-party service providers in the daily operations of its conventional facilities and certain renewable facilities.

Environmental, Social and Governance (ESG)

The Company is committed to engaging with its stakeholders on environmental, social and governance, or ESG, matters in a proactive, holistic and integrated manner. The Company strives to provide recent, credible and comparable data to investors around ESG issues and to comply with ESG disclosure requirements. Clearway, Inc.'s Board of Directors reviews developing trends and emerging ESG matters as well as the Company's strategies, activities, policies and communications regarding ESG matters, and reviews and considers potential actions the Company could take regarding ESG matters.

Aligned with the Company's strategy of owning and acquiring environmentally-sound power generation and energy storage assets, the Company has issued $2.1 billion of corporate green bonds under a green bond framework that applies the net proceeds to finance or refinance, in part or in full, new and existing projects and assets meeting certain criteria focused on the supply of energy from renewable resources, including solar energy and wind energy.

As discussed in greater detail above, the Company, through EPIC, has focused its diversity, equity and inclusion efforts in three areas: Our People; Our Brand, Customers and Community; and Our Purchasing. With the involvement of the Company's employees, EPIC is advancing efforts in each of these areas to identify and implement opportunities for the Company to address equity, partnership and inclusion issues in its business activities.

Available Information

The Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Exchange Act are available free of charge through the SEC's website, www.sec.gov, and through the "Investor Relations" section of Clearway, Inc.'s website, *www.clearwayenergy.com*, as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The Company also routinely posts press releases, presentations, webcasts, and other information regarding the Company on Clearway, Inc.'s website. The information posted on Clearway, Inc.'s website is not a part of this report.

Item 1A — Risk Factors

Summary of Risk Factors

The Company's business is subject to numerous risks and uncertainties, discussed in more detail in the following section. These risks include, among others, the following key risks:

Risks Related to the Company's Business

- The Company's ability to grow and make acquisitions through cash on hand is limited.
- The Company may not be able to effectively identify or consummate any future acquisitions on favorable terms, or at all, and future acquisitions may not be accretive as a result of incorrect assumptions in the Company's evaluation of such acquisitions, unforeseen consequences or other external events beyond the Company's control.
- Counterparties to the Company's offtake agreements may not fulfill their obligations and, as the contracts expire, the Company may not be able to replace them with agreements on similar terms in light of increasing competition in the markets in which the Company operates.
- The Company's ability to effectively consummate future acquisitions will also depend on the Company's ability to arrange the required or desired financing for acquisitions.
- The Company's indebtedness could adversely affect its ability to raise additional capital to fund the Company's operations or pay distributions.
- The operation of electric generation facilities depends on suitable meteorological conditions and involves significant risks and hazards customary to the power industry that could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. These facilities may operate without long-term power sales agreements.
- Maintenance, expansion and refurbishment of electric generation facilities involve significant risks that could result in unplanned power outages or reduced output.
- Supplier and/or customer concentration at certain of the Company's facilities may expose the Company to significant financial credit or performance risks.
- The Company currently owns, and in the future may acquire, certain assets in which the Company has limited control over management decisions and its interests in such assets may be subject to transfer or other related restrictions.
- The Company is exposed to risks inherent in the use of interest rate swaps and energy-related financial instruments. The Company may be exposed to additional risks in the future if it utilizes other derivative instruments.
- The Company does not own all of the land on which its power generation and energy storage assets are located, which could result in disruption to its operations. The Company's use and enjoyment of real property rights for its projects may be adversely affected by the rights of lienholders and leaseholders that are superior to those of the grantors of those real property rights to the Company.
- The Company's businesses are subject to physical, market and economic risks relating to potential effects of climate change and public and governmental initiatives to address climate change.
- Risks that are beyond the Company's control, including but not limited to acts of terrorism or related acts of war, natural disasters, severe weather, changes in weather patterns, flooding, pandemics (such as the COVID-19 pandemic), inflation, supply chain disruptions, hostile cyber intrusions or other catastrophic events, could have a material adverse effect on the business, financial condition, results of operations and cash flows.
- The operation of the Company's businesses is subject to cyber-based security and integrity risk.
- The Company relies on electric distribution and transmission facilities that it does not own or control and that are subject to transmission constraints within a number of the Company's regions. If these facilities fail to provide the Company with adequate transmission capacity, it may be restricted in its ability to deliver electric power to its customers and may either incur additional costs or forego revenues.
- The Company's costs, results of operations, financial condition and cash flows could be adversely impacted by the disruption of the fuel supplies necessary to generate power at its conventional generation facilities.
- The Company depends on key personnel and its ability to attract and retain additional skilled management and other personnel, the loss of any of which could have a material adverse effect on the Company's financial condition and results of operations.
- The Company may potentially be adversely affected by emerging technologies that may over time impact capacity markets and the energy industry overall.

Risks Related to the Company's Relationship with GIP, TotalEnergies and CEG

- GIP and TotalEnergies, through their equal ownership of CEG, the controlling shareholder of Clearway, Inc., exercise substantial influence over the Company. The Company is highly dependent on GIP, TotalEnergies and CEG.
- CEG controls the Company and has the ability to designate a majority of the members of Clearway, Inc.'s Board.
- The Company may not be able to consummate future acquisitions from CEG.
- The Company may be unable to terminate the CEG Master Services Agreement, in certain circumstances.
- If CEG terminates the CEG Master Services Agreement or defaults in the performance of its obligations under the agreement, the Company may be unable to contract with a substitute service provider on similar terms, or at all.

Risks Related to Regulation

- The Company's business is subject to restrictions resulting from environmental, health and safety laws and regulations.
- The electric generation business is subject to substantial governmental regulation, including environmental laws, and may be adversely affected by changes in laws or regulations, as well as liability under, or any future inability to comply with, existing or future regulations or other legal requirements.
- The Company's business is subject to complex and evolving U.S. laws and regulations regarding privacy and data protection.
- Government regulations providing incentives for renewable power generation could change at any time and such changes may negatively impact the Company's growth strategy.
- The Company's ability to comply with tax laws and policies may depend on its contractual arrangements and information provided by third parties and may require significant resources.

Risks Related to the Company's Business

Pursuant to the Company's cash distribution policy, the Company intends to distribute a significant amount of the CAFD through regular quarterly distributions, and the Company's ability to grow and make acquisitions through cash on hand is limited.

The Company expects to distribute a significant amount of the CAFD each quarter and to rely primarily upon external financing sources, including the issuance of debt and equity securities and, if applicable, borrowings under the Company's revolving credit facility to fund acquisitions and growth capital expenditures. The Company may be precluded from pursuing otherwise attractive acquisitions if the projected short-term cash flow from the acquisition or investment is not adequate to service the capital raised to fund the acquisition or investment, after giving effect to the Company's available cash reserves. The incurrence of bank borrowings or other debt by Clearway Energy Operating LLC or by the Company's project-level subsidiaries to finance the Company's growth strategy will result in increased interest expense and the imposition of additional or more restrictive covenants, which, in turn, may impact the cash distributions the Company makes to Clearway, Inc. and CEG.

The Company may not be able to effectively identify or consummate any future acquisitions on favorable terms, or at all, and future acquisitions may not be accretive as a result of incorrect assumptions in the Company's evaluation of such acquisitions, unforeseen consequences or other external events beyond the Company's control.

The Company's business strategy includes growth through the acquisitions of additional generation assets (including through corporate acquisitions). This strategy depends on the Company's ability to successfully identify and evaluate acquisition opportunities and consummate acquisitions on favorable terms. However, the number of acquisition opportunities is limited. In addition, the Company will compete with other companies for these limited acquisition opportunities, which may increase the Company's cost of making acquisitions or cause the Company to refrain from making acquisitions at all. Some of the Company's competitors for acquisitions are much larger than the Company with substantially greater resources. These companies may be able to pay more for acquisitions and may be able to identify, evaluate, bid for and purchase a greater number of assets than the Company's financial or human resources permit. If the Company is unable to identify and consummate future acquisitions, it will impede the Company's ability to execute its growth strategy and limit the Company's ability to increase the amount of distributions paid to Clearway, Inc. and CEG.

The Company's ability to acquire future renewable facilities may depend on the viability of renewable assets generally. These assets currently are largely contingent on public policy mechanisms including ITCs, cash grants, loan guarantees, accelerated depreciation, RPS and carbon trading plans. These mechanisms have been implemented at the state and federal levels to support the development of renewable generation, demand-side and smart grid and other clean infrastructure technologies. The availability and continuation of public policy support mechanisms will drive a significant part of the economics and viability of the Company's growth strategy and expansion into clean energy investments.

The acquisition of companies and assets are subject to substantial risks, including the failure to identify material problems during due diligence (for which the Company may not be indemnified post-closing) and the risk of overpaying for assets (or not making acquisitions on an accretive basis). The integration and consolidation of acquisitions requires substantial human, financial and other resources and, ultimately, the Company's acquisitions may divert management's attention from the Company's existing business concerns, disrupt the Company's ongoing business or not be successfully integrated. There can be no assurances that any future acquisitions will perform as expected or that the returns from such acquisitions will support the financing utilized to acquire them or maintain them. A failure to achieve the financial returns the Company expects when it acquires generation assets could have a material adverse effect on the Company's ability to grow its business and make cash distributions to its unit holders. Any failure of the Company's acquired generation assets to be accretive or difficulty in integrating such acquisition into the Company's business could have a material adverse effect on the Company's ability to grow its business and make cash distributions to its unit holders. As a result, the consummation of acquisitions could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and ability to pay distributions to its unit holders.

Counterparties to the Company's offtake agreements may not fulfill their obligations and, as the contracts expire, the Company may not be able to replace them with agreements on similar terms in light of increasing competition in the markets in which the Company operates.

The majority of the electric power the Company generates is sold under long-term offtake agreements with public utilities or industrial or commercial end-users, with a weighted average remaining duration, based on CAFD, of approximately 10 years. As of December 31, 2023, the largest customers of the Company's power generation and energy storage assets, including assets in which the Company has less than a 100% membership interest, were SCE and PG&E, which represented 24% and 17%, respectively, of total consolidated revenues generated by the Company during the year ended December 31, 2023.

If, for any reason, any of the purchasers of power under these agreements are unable or unwilling to fulfill their related contractual obligations or if they refuse to accept delivery of power delivered thereunder or if they otherwise terminate such agreements prior to the expiration thereof, the Company's assets, liabilities, business, financial condition, results of operations and cash flows could be materially and adversely affected. Furthermore, to the extent any of the Company's power purchasers are, or are controlled by, governmental entities, the Company's facilities may be subject to legislative or other political action that may impair their contractual performance.

The power generation industry is characterized by intense competition and the Company's electric generation assets encounter competition from utilities, industrial companies and independent power producers, in particular with respect to uncontracted output. In recent years, there has been increasing competition among generators for offtake agreements and this has contributed to a reduction in electricity prices in certain markets characterized by excess supply above designated reserve margins. In light of these market conditions, the Company may not be able to replace an expiring or terminated agreement with an agreement on equivalent terms and conditions, including at prices that permit operation of the related facility on a profitable basis. In addition, the Company believes many of its competitors have well-established relationships with the Company's current and potential suppliers, lenders and customers, and have extensive knowledge of its target markets. As a result, these competitors may be able to respond more quickly than the Company to evolving industry standards and changing customer requirements. The adoption of more advanced technology could reduce its competitors' power production costs resulting in their having a lower cost structure than is achievable with the technologies currently employed by the Company and adversely affect its ability to compete for offtake agreement renewals. If the Company is unable to replace an expiring or terminated offtake agreement, the affected facility may temporarily or permanently cease operations. External events, such as a severe economic downturn or force majeure events, could also impair the ability of some counterparties to the Company's offtake agreements and other customer agreements to pay for energy and/or other products and services received.

The Company's inability to enter into new or replacement offtake agreements or to compete successfully against current and future competitors in the markets in which the Company operates could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Company's ability to effectively consummate future acquisitions will also depend on the Company's ability to arrange the required or desired financing for acquisitions.

The Company may not have sufficient availability under the Company's credit facilities or have access to project-level financing on commercially reasonable terms when acquisition opportunities arise. An inability to obtain the required or desired financing could significantly limit the Company's ability to consummate future acquisitions and effectuate the Company's growth strategy. If financing is available, utilization of the Company's credit facilities or project-level financing for all or a portion of the purchase price of an acquisition could significantly increase the Company's interest expense, impose additional or more restrictive covenants and reduce CAFD. The Company's ability to consummate future acquisitions may also depend on the Company's ability to obtain any required regulatory approvals for such acquisitions.

The Company's indebtedness could adversely affect its ability to raise additional capital to fund the Company's operations or pay distributions. It could also expose the Company to the risk of increased interest rates and limit the Company's ability to react to changes in the economy or the Company's industry as well as impact the Company's results of operations, financial condition and cash flows.

As of December 31, 2023, the Company had approximately $8.10 billion of total consolidated indebtedness, $5.97 billion of which was incurred by the Company's non-guarantor subsidiaries. In addition, the Company's share of its unconsolidated affiliates' total indebtedness and letters of credit outstanding as of December 31, 2023, totaled approximately $303 million and $37 million, respectively (calculated as the Company's unconsolidated affiliates' total indebtedness as of such date multiplied by the Company's percentage membership interest in such assets).

The Company's substantial debt could have important negative consequences on the Company's financial condition, including:

- increasing the Company's vulnerability to general economic and industry conditions;
- requiring a substantial portion of the Company's cash flow from operations to be dedicated to the payment of principal and interest on the Company's indebtedness, therefore reducing the Company's ability to pay distributions to Clearway, Inc. and CEG or to use the Company's cash flow to fund its operations, capital expenditures and future business opportunities;
- limiting the Company's ability to enter into long-term power sales or fuel purchases which require credit support;
- limiting the Company's ability to fund operations or future acquisitions;
- restricting the Company's ability to make certain distributions to Clearway, Inc. and CEG and the ability of the Company's subsidiaries to make certain distributions to it, in light of restricted payment and other financial covenants in the Company's credit facilities and other financing agreements;
- exposing the Company to the risk of increased interest rates because certain of the Company's borrowings, which may include borrowings under the Company's revolving credit facility, are at variable rates of interest;
- limiting the Company's ability to obtain additional financing for working capital including collateral postings, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting the Company's ability to adjust to changing market conditions and placing it at a competitive disadvantage compared to the Company's competitors who have less debt.

The Company's revolving credit facility contains financial and other restrictive covenants that limit the Company's ability to return capital to unit holders or otherwise engage in activities that may be in the Company's long-term best interests. The Company's inability to satisfy certain financial covenants could prevent the Company from paying cash distributions, and the Company's failure to comply with those and other covenants could result in an event of default which, if not cured or waived, may entitle the related lenders to demand repayment or enforce their security interests, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. In addition, failure to comply with such covenants may entitle the related lenders to demand repayment and accelerate all such indebtedness.

The agreements governing the Company's project-level financing contain financial and other restrictive covenants that limit the Company's project subsidiaries' ability to make distributions to the Company or otherwise engage in activities that may be in the Company's long-term best interests. The project-level financing agreements generally prohibit distributions from the project entities to the Company unless certain specific conditions are met, including the satisfaction of certain financial ratios. The Company's inability to satisfy certain financial covenants may prevent cash distributions by the particular project(s) to it and, the Company's failure to comply with those and other covenants could result in an event of default which, if not cured or waived may entitle the related lenders to demand repayment or enforce their security interests, which could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, failure to comply with such covenants may entitle the related lenders to demand repayment and accelerate all such indebtedness. If the Company is unable to make distributions from the Company's project-level subsidiaries, it would likely have a material adverse effect on the Company's ability to pay distributions to Clearway, Inc. and CEG.

Letter of credit facilities to support project-level contractual obligations generally have a limited term that may require future renewal, at which time the Company or relevant project-level subsidiary will need to satisfy applicable financial ratios and covenants. If the Company is unable to renew the Company's letters of credit as expected or replace them with letters of credit under different facilities on favorable terms or at all, the Company may experience a material adverse effect on its business, financial condition, results of operations and cash flows. Furthermore, such inability may constitute a default under certain project-level financing arrangements, restrict the ability of the project-level subsidiary to make distributions to it and/or reduce the amount of cash available at such subsidiary to make distributions to the Company.

In addition, the Company's ability to arrange financing, either at the corporate level or at a non-recourse project-level subsidiary, and the costs of such capital, are dependent on numerous factors, including:

- general economic and capital market conditions;
- credit availability from banks and other financial institutions;
- investor confidence in the Company, its partners, Clearway, Inc. (as the Company's sole managing member), or GIP and TotalEnergies, through CEG, as Clearway, Inc.'s principal stockholder (on a combined voting basis) and the regional wholesale power markets;
- the Company's financial performance and the financial performance of the Company subsidiaries;
- the Company's level of indebtedness and compliance with covenants in debt agreements;
- maintenance of acceptable project credit ratings or credit quality;
- cash flow; and
- provisions of tax and securities laws that may impact raising capital.

The Company may not be successful in obtaining additional capital for these or other reasons. Furthermore, the Company may be unable to refinance or replace project-level financing arrangements or other credit facilities on favorable terms or at all upon the expiration or termination thereof. The Company's failure, or the failure of any of the Company's projects, to obtain additional capital or enter into new or replacement financing arrangements when due may constitute a default under such existing indebtedness and may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Certain of the Company's long-term bilateral contracts result from state-mandated procurements and could be declared invalid by a court of competent jurisdiction.

A portion of the Company's revenues are derived from long-term bilateral contracts with utilities that are regulated by their respective states and have been entered into pursuant to certain state programs. Certain long-term contracts that other companies have with state-regulated utilities have been challenged in federal court and have been declared unconstitutional on the grounds that the rate for energy and capacity established by the contracts impermissibly conflicts with the rate for energy and capacity established by FERC pursuant to the FPA. If certain of the Company's state-mandated agreements with utilities are ever held to be invalid or unenforceable due to the financial conditions or other conditions of such utility, the Company may be unable to replace such contracts, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The generation of electric energy from solar and wind energy sources depends heavily on suitable meteorological conditions.

If solar or wind conditions are unfavorable, the Company's electricity generation and revenue from renewable generation facilities may be substantially below the Company's expectations. The electricity produced and revenues generated by a solar or wind energy generation facility is highly dependent on suitable solar or wind conditions, as applicable, and associated weather conditions, which are beyond the Company's control. Disruption in the generation of solar or wind energy could limit a facility's ability to generate electricity at its desired level. Should a generation facility fail to perform at the required levels, or other unplanned disruptions occur, the facility may be forced to fulfill an underlying contractual obligation by purchasing electricity at higher prices. In addition, the Company's facilities may be exposed, based on specific contractual terms, to a locational basis risk resulting from a difference in the price received for generation sold at the location where the power is generated and the price paid for generation purchased at the contracted delivery point, which could lead to potential lower revenues in circumstances where the price received is lower than the price that is paid. Furthermore, components of the Company's systems, such as solar panels and inverters, could be damaged by severe weather, such as wildfires, hailstorms, lightning, tornadoes or freezing temperatures and other winter weather conditions. Unfavorable weather and atmospheric conditions could impair the effectiveness of the Company's assets or reduce their output beneath their rated capacity or require shutdown of key equipment, impeding operation of the Company's renewable assets. For example, in February 2021, the Company's wind projects in Texas were unable to operate and experienced outages for a few days as a result of the extreme winter weather conditions. In addition, climate change may have the long-term effect of changing wind patterns at the Company's projects. Changing wind patterns could cause changes in expected electricity generation. These events could also degrade equipment or components and the interconnection and transmission facilities' lives or maintenance costs.

Although the Company bases its investment decisions with respect to each renewable generation facility on the findings of related wind and solar studies conducted on-site prior to construction or based on historical conditions at existing facilities, actual climatic conditions at a facility site, particularly wind conditions, may not conform to the findings of these studies and may be affected by variations in weather patterns, including any potential impact of climate change. Therefore, the Company's solar and wind energy facilities may not meet anticipated production levels or the rated capacity of the Company's generation assets, which could adversely affect the Company's business, financial condition, results of operations and cash flows.

Operation of electric generation facilities involves significant risks and hazards customary to the power industry that could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The ongoing operation of the Company's facilities involves risks that include the breakdown or failure of equipment or processes or performance below expected levels of output or efficiency due to wear and tear, latent defect, design error, operator error or force majeure events, among other things. The Company's facilities are subject to the risks inherent with power generation facilities, including, but not limited to, degradation of equipment in excess of the Company's expectations, system failures and outages, which could impair the ability of the facilities to meet the Company's performance expectations. In addition, replacement and spare parts for key components may be difficult or costly to acquire or may be unavailable. Operation of the Company's facilities also involves risks that the Company will be unable to transport its products to its customers in an efficient manner due to a lack of transmission capacity. Unplanned outages of generating units, including extensions of scheduled outages due to mechanical failures or other problems, occur from time to time and are an inherent risk of the business. Unplanned outages typically increase operation and maintenance expenses, capital expenditures and may reduce revenues as a result of selling fewer MWh or require the Company to incur significant costs as a result of obtaining substitute RA or replacement power from third parties in the open market to satisfy forward power sales obligations. The Company's inability to operate its electric generation assets efficiently, manage capital expenditures and costs and generate earnings and cash flow from the Company's asset-based businesses could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. While the Company maintains insurance, obtains warranties from vendors and obligates contractors to meet certain performance levels, the proceeds of such insurance, warranties or performance guarantees may not cover the Company's lost revenues, increased expenses or liquidated damages payments should it experience equipment breakdown or non-performance by contractors or vendors. The Company maintains an amount of insurance protection that it considers adequate but cannot provide any assurance that the Company's insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which the Company may be subject. Furthermore, the Company's insurance coverage is subject to deductibles, caps, exclusions and other limitations. A loss for which the Company is not fully insured (which may include a significant judgment against any facility or facility operator) could have a material adverse effect on the Company's business, financial condition, results of operations or cash flows. Further, due to rising insurance costs and changes in the insurance markets, the Company cannot provide any assurance that its insurance coverage will continue to be available at all or at rates or on terms similar to those presently available. Any losses not covered by insurance could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Power generation involves hazardous activities, including acquiring, transporting and unloading fuel, operating large pieces of rotating equipment and delivering electricity to transmission and distribution systems. In addition to natural risks such as earthquakes, floods, lightning, hurricanes and strong wind, other hazards, such as fire, explosion, structural collapse and machinery failure are inherent risks in the Company's operations. These and other hazards can cause significant personal injury or loss of life, severe damage to and destruction of property, plant and equipment and contamination of, or damage to, the environment and suspension of operations. To the extent an event was not covered by insurance policies, such incidents could subject the Company to substantial liabilities arising from emergency response, environmental cleanup and restoration costs, claims made by neighboring landowners and other third parties for personal injury and property damage, and fines or penalties for any related violations of environmental laws or regulations.

The Company's facilities may operate, wholly or partially, without long-term power sales agreements.

The Company's facilities may operate without long-term power sales agreements for some or all of their generating capacity and output and therefore be exposed to market fluctuations. Without the benefit of long-term power sales agreements for the facilities, the Company cannot be sure that it will be able to sell any or all of the power generated by the facilities at economic rates or that the facilities will be able to operate profitably. This could lead to less predictable revenues, future impairments of the Company's property, plant and equipment or to the closing of certain of its facilities, resulting in economic losses and liabilities, which could have a material adverse effect on the Company's results of operations, financial condition or cash flows.

Maintenance, expansion and refurbishment of electric generation facilities involve significant risks that could result in unplanned power outages or reduced output.

The Company's facilities may require periodic upgrading and improvement. Any unexpected operational or mechanical failure, including failure associated with breakdowns and forced outages, could reduce the Company's facilities' generating capacity below expected levels, reducing the Company's revenues and jeopardizing the Company's ability to pay distributions to Clearway, Inc. and CEG at expected levels or at all. Degradation of the performance of the Company's solar facilities above levels provided for in the related offtake agreements may also reduce the Company's revenues. Unanticipated capital expenditures associated with maintaining, upgrading or repairing the Company's facilities may also reduce profitability.

If the Company makes any major modifications to its conventional power generation facilities, it may be required to install the best available control technology or to achieve the lowest achievable emission rates as such terms are defined under the new source review provisions of the Clean Air Act in the future. Any such modifications could likely result in substantial additional capital expenditures. The Company may also choose to repower, refurbish or upgrade its facilities based on its assessment that such activity will provide adequate financial returns. Such facilities require time for development and capital expenditures before commencement of commercial operations, and key assumptions underpinning a decision to make such an investment may prove incorrect, including assumptions regarding construction costs, timing, available financing and future fuel and power prices. These events could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Supplier and/or customer concentration at certain of the Company's facilities may expose the Company to significant financial credit or performance risks.

The Company often relies on a single contracted supplier or a small number of suppliers for the provision of fuel, transportation of fuel, equipment, technology and/or other services required for the operation of certain facilities. In addition, certain of the Company's suppliers provide long-term warranties with respect to the performance of their products or services. If any of these suppliers cannot perform under their agreements with the Company, or satisfy their related warranty obligations, the Company will need to utilize the marketplace to provide or repair these products and services. There can be no assurance that the marketplace can provide these products and services as, when and where required. The Company may not be able to enter into replacement agreements on favorable terms or at all. If the Company is unable to enter into replacement agreements to provide for fuel, equipment, technology and other required services, it would seek to purchase the related goods or services at market prices, exposing the Company to market price volatility and the risk that fuel and transportation may not be available during certain periods at any price. The Company may also be required to make significant capital contributions to remove, replace or redesign equipment that cannot be supported or maintained by replacement suppliers, which could have a material adverse effect on the business, financial condition, results of operations, credit support terms and cash flows.

The failure of any supplier to fulfill its contractual obligations to the Company or the Company's loss of potential or existing customers could have a material adverse effect on its financial results. Consequently, the financial performance of the Company's facilities is dependent on the credit quality of, and continued performance by, the Company's suppliers and vendors and the Company's ability to solicit and retain customers.

The Company currently owns, and in the future may acquire, certain assets in which the Company has limited control over management decisions and its interests in such assets may be subject to transfer or other related restrictions.

As described in Item 15 — Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*, the Company has limited control over the operation of certain of its assets, because the Company beneficially owns less than a majority of the membership interests in such assets. The Company may seek to acquire additional assets in which it owns less than a majority of the related membership interests in the future. In these investments, the Company will seek to exert a degree of influence with respect to the management and operation of assets in which it owns less than a majority of the membership interests by negotiating to obtain positions on management committees or to receive certain limited governance rights, such as rights to veto significant actions. However, the Company may not always succeed in such negotiations. The Company may be dependent on its co-venturers to operate such assets. The Company's co-venturers may not have the level of experience, technical expertise, human resources management and other attributes necessary to operate these assets optimally. In addition, conflicts of interest may arise in the future between the Company and its unit holders, on the one hand, and the Company's co-venturers, on the other hand, where the Company's co-venturers' business interests are inconsistent with the interests of the Company and its unit holders. Further, disagreements or disputes between the Company and its co-venturers could result in litigation, which could increase expenses and potentially limit the time and effort the Company's officers and directors are able to devote to the business.

The approval of co-venturers may also be required for the Company to receive distributions of funds from assets or to sell, pledge, transfer, assign or otherwise convey its interest in such assets, or for the Company to acquire CEG's interests in such co-ventures as an initial matter. Alternatively, the Company's co-venturers may have rights of first refusal or rights of first offer in the event of a proposed sale or transfer of the Company's interests in such assets. These restrictions may limit the price or interest level for interests in such assets, in the event the Company wants to sell such interests.

Furthermore, certain of the Company's facilities are operated by third-party operators. To the extent that third-party operators do not fulfill their obligations to manage operations of the facilities or are not effective in doing so, the amount of CAFD may be adversely affected.

The Company is exposed to risks inherent in the use of interest rate swaps and energy-related financial instruments. The Company may be exposed to additional risks in the future if it utilizes other derivative instruments.

The Company uses interest rate swaps to manage interest rate risk and uses energy-related financial instruments to manage variability in earnings due to fluctuations in market prices. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts. If the values of these financial contracts change in a manner that the Company does not anticipate, or if a counterparty fails to perform under a contract, it could harm the business, financial condition, results of operations and cash flows.

The Company does not own all of the land on which its power generation and energy storage assets are located, which could result in disruption to its operations.

The Company does not own all of the land on which its power generation and energy storage assets are located, and the Company is, therefore, subject to the possibility of less desirable terms and increased costs to retain necessary land use if it does not have valid leases or rights-of-way or if such rights-of-way lapse or terminate. Although the Company has obtained rights to construct and operate these assets pursuant to related lease arrangements, the rights to conduct those activities are subject to certain exceptions, including the term of the lease arrangement. The Company is also at risk of condemnation on land it owns. The loss of these rights, through the Company's inability to renew right-of-way contracts, condemnation or otherwise, may adversely affect the Company's ability to operate its assets.

The Company's use and enjoyment of real property rights for its projects may be adversely affected by the rights of lienholders and leaseholders that are superior to those of the grantors of those real property rights to the Company.

Wind, solar and energy storage projects generally are, and are likely to be, located on land occupied by the project pursuant to long-term easements and leases. The ownership interests in the land subject to these easements and leases may be subject to mortgages securing loans or other liens (such as tax liens) and other easement and lease rights of third parties (such as leases of oil or mineral rights) that were created prior to the project's easements and leases. As a result, the project's rights under these easements or leases may be subject, and subordinate, to the rights of those third parties. The Company performs title searches and obtains title insurance to protect itself against these risks. Such measures may, however, be inadequate to protect the Company against all risk of loss of its rights to use the land on which the wind projects are located, which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's businesses are subject to physical, market and economic risks relating to potential effects of climate change and public and governmental initiatives to address climate change.

Climate change creates uncertainty in weather and other environmental conditions, including temperature and precipitation levels, and thus may affect consumer demand for electricity. For example, deviations from normal weather may reduce demand or availability of electricity and gas distribution services. In addition, the potential physical effects of climate change, such as increased frequency and severity of storms, cloud coverage, precipitation, floods and other climatic events, could disrupt the Company's operations and supply chain, and cause them to incur significant costs in preparing for or responding to these effects. These or other meteorological changes could lead to increased operating costs, capital expenses or power purchase costs.

Furthermore, governmental, scientific and public concern over the threat of climate change arising from GHG emissions may limit the Company's access to natural gas or decrease demand for energy generated by the Company's conventional assets. State, national and foreign governments and agencies continue to evaluate, and in some instances adopt, climate-related legislation and other regulatory initiatives that would restrict GHG emissions. Changes in environmental requirements related to GHG, climate change and alternative energy sources may impact demand for the Company's services. For example, the Inflation Reduction Act of 2022, or IRA, includes incentives to promote the construction of wind and solar electric generation, as well as energy storage, and encourages consumers to use these alternative energy sources. While this could benefit the Company by increasing the demand for the Company's solar or wind energy, the clean energy incentives included in the IRA or similar state or federal initiatives to incentivize a shift away from fossil fuels could reduce demand for energy generated by fossil fuels, and therefore have an adverse effect on the Company's natural gas generation business, financial condition and results of operations.

Risks that are beyond the Company's control, including but not limited to acts of terrorism or related acts of war, natural disasters, severe weather, changes in weather patterns, flooding, pandemics (such as the COVID-19 pandemic), inflation, supply chain disruptions, hostile cyber intrusions or other catastrophic events, could have a material adverse effect on the business, financial condition, results of operations and cash flows.

The Company's generation facilities that were acquired or those that the Company otherwise acquires or constructs and the facilities of third parties on which they rely may be targets of terrorist activities, as well as events occurring in response to or in connection with them, that could cause environmental repercussions and/or result in full or partial disruption of the facilities ability to generate, transmit, transport or distribute electricity or natural gas. Strategic targets, such as energy-related facilities, may be at greater risk of future terrorist activities than other domestic targets. Inflation, disruption in global and domestic supply chains, and other economic conditions could negatively impact the Company's business in a manner that could adversely affect the Company's results of operations and financial condition. Hostile cyber intrusions, including those targeting information systems as well as electronic control systems used at the generating plants and for the related distribution systems, could severely disrupt business operations and result in loss of service to customers, as well as create significant expense to repair security breaches or system damage.

Furthermore, certain of the Company's power generation and energy storage assets are located in active earthquake zones in California and Arizona, and certain project companies and suppliers conduct their operations in the same region or in other locations that are susceptible to natural disasters. In addition, California and some of the locations where certain suppliers are located, from time to time, have experienced shortages of water, electric power and natural gas. Catastrophic events, such as an earthquake, wildfire, drought, flood, pandemics (such as the COVID-19 pandemic) or localized extended outages of critical utilities or transportation systems, or any critical resource shortages, affecting the Company or its suppliers, could cause a significant interruption in the business, damage or destroy the Company's facilities or those of its suppliers or the manufacturing equipment or inventory of the Company's suppliers. The Company has a limited number of highly skilled employees for some of its operations and relies on certain independent contractors and other service providers. If a large proportion of the Company's employees in those critical positions, or independent contractors or other service providers to the Company or its customers were to be negatively impacted by a catastrophic event at the same time, the Company would rely upon its business continuity plans in an effort to continue operations at its facilities, but there is no certainty that such measures will be sufficient to mitigate the adverse impact to its operations that could result from shortages of highly skilled employees, independent contractors or service providers. Any such terrorist acts, environmental repercussions or disruptions or natural disasters could result in a significant decrease in revenues or significant reconstruction or remediation costs, beyond what could be recovered through insurance policies, which could have a material adverse effect on the business, financial condition, results of operations and cash flows.

The operation of the Company's businesses is subject to cyber-based security and integrity risk.

Numerous functions affecting the efficient operation of the Company's businesses depend on the secure and reliable storage, processing and communication of electronic data and the use of sophisticated computer hardware and software systems. The operation of the Company's generating assets relies on cyber-based technologies and has been the target of disruptive actions. In addition, our business is dependent upon the computer systems of third-party providers to process certain data necessary to conduct our business, including sensitive employee information, credit card transaction information and other sensitive data.

Potential disruptive actions could result from cyber-attack or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, or otherwise be compromised by unintentional events with respect to the Company or any of its contractors or customers. As a result, operations could be interrupted, property could be damaged and sensitive employee, customer or supplier information could be lost or stolen, causing the Company to incur significant losses of revenues, other substantial liabilities and damages, costs to replace or repair damaged equipment and damage to the Company's reputation. Our insurance may not fully protect us against such losses. In addition, the Company may experience increased capital and operating costs to implement increased security for its cyber systems and generating assets.

In addition, cyberattacks against us or others in our industry could result in additional regulations, which could lead to increased regulatory compliance costs, insurance coverage cost or capital expenditures. Any failure by us to comply with these additional regulations could result in significant penalties and liability to us. We cannot predict the potential impact to our business or the energy industry resulting from such additional regulations.

The Company relies on electric distribution and transmission facilities that it does not own or control and that are subject to transmission constraints within a number of the Company's regions. If these facilities fail to provide the Company with adequate transmission capacity, it may be restricted in its ability to deliver electric power to its customers and may either incur additional costs or forego revenues.

The Company depends on electric distribution and transmission facilities owned and operated by others to deliver the wholesale power it will sell from its electric generation assets to its customers. A failure or delay in the operation or development of these facilities or a significant increase in the cost of the development of such facilities could result in lost revenues. Such failures or delays could limit the amount of power the Company's operating facilities deliver or delay the completion of the Company's construction projects. Additionally, such failures, delays or increased costs could have a material adverse effect on the business, financial condition and results of operations. If a region's power transmission infrastructure is inadequate, the Company's recovery of wholesale costs and profits may be limited. If restrictive transmission price regulation is imposed, the transmission companies may not have a sufficient incentive to invest in expansion of transmission infrastructure. The Company also cannot predict whether distribution or transmission facilities will be expanded in specific markets to accommodate competitive access to those markets. In addition, certain of the Company's operating facilities' generation of electricity may be curtailed without compensation due to transmission limitations or limitations on the electricity grid's ability to accommodate intermittent and other electricity generating sources, reducing the Company's revenues and impairing its ability to capitalize fully on a particular facility's generating potential. Such curtailments could have a material adverse effect on the business, financial condition, results of operations and cash flows. Furthermore, economic congestion on transmission networks in certain of the markets in which the Company operates may occur and the Company may be deemed responsible for congestion costs. If the Company were liable for such congestion costs, its financial results could be adversely affected.

The Company's costs, results of operations, financial condition and cash flows could be adversely impacted by the disruption of the fuel supplies necessary to generate power at its conventional power generation facilities.

Delivery of fossil fuels to fuel the Company's conventional generation facilities is dependent upon the infrastructure (including natural gas pipelines) available to serve each such generation facility as well as upon the continuing financial viability of contractual counterparties. As a result, the Company is subject to the risks of disruptions or curtailments in the production of power at these generation facilities if a counterparty fails to perform or if there is a disruption in the fuel delivery infrastructure.

The Company depends on key personnel and its ability to attract and retain additional skilled management and other personnel, the loss of any of which could have a material adverse effect on the Company's financial condition and results of operations.

The Company believes its current operations and future success depend largely on the continued services of key personnel that it employs. Although the Company currently has access to the resources of CEG, the loss of key personnel employed by the Company or CEG could have a material adverse effect on the Company's financial condition and results of operations.

The Company may potentially be adversely affected by emerging technologies that may over time impact capacity markets and the energy industry overall.

Research and development activities are ongoing in the Company's industry to provide alternative and more efficient technologies to produce power, including wind, photovoltaic (solar) cells, hydrogen, energy storage, and improvements in traditional technologies and equipment, such as more efficient gas turbines. Advances in these or other technologies could reduce the costs of power production to a level below what the Company has currently forecasted, which could adversely affect its cash flows, results of operations or competitive position.

Some emerging technologies, such as distributed renewable energy technologies, broad consumer adoption of electric vehicles and energy storage devices, could affect the price of energy. These emerging technologies may affect the financial viability of utility counterparties and could have significant impacts on market prices, which could ultimately have a material adverse effect on the Company's financial condition, results of operations and cash flows.

Risks Related to the Company's Relationships with GIP, TotalEnergies and CEG

GIP and TotalEnergies, through their equal ownership of CEG, exercise substantial influence over the Company through CEG's position as controlling shareholder of Clearway, Inc. The Company is highly dependent on CEG.

CEG owns all of Clearway, Inc.'s outstanding Class B and Class D common stock. Clearway, Inc.'s outstanding Class B and Class D common stock is entitled to one vote per share and 1/100th of a vote per share, respectively. As a result of its ownership of Clearway, Inc.'s Class B and Class D common stock, CEG owns 54.91% of the combined voting power of Clearway, Inc.'s common stock as of December 31, 2023. CEG is equally owned by GIP and TotalEnergies. On January 12, 2024, BlackRock entered into a definitive agreement to acquire 100% of the business and assets of GIM, which is the investment manager of the GIP funds that own an interest in CEG. BlackRock has indicated that the transaction is expected to close in the third quarter of 2024, subject to regulatory approvals and other customary closing conditions. Clearway, Inc., through its holdings of Class A units and Class C units, owned a 57.90% economic interest in the Company as of December 31, 2023. Additionally, CEG, through its holdings of Class B units and Class D units, owned the remaining 42.10% economic interest in the Company as of December 31, 2023. As a result of this ownership, CEG has a substantial influence on the Company's affairs.

Furthermore, the Company depends on certain services provided by or under the direction of CEG under the CEG Master Services Agreement, including numerous processes related to the Company's internal control over financial reporting. CEG personnel and support staff that provide services to the Company under the CEG Master Services Agreement are not required to, and the Company does not expect that they will, have as their primary responsibility the management and administration of the Company or to act exclusively for the Company and the CEG Master Services Agreement does not require any specific individuals to be provided by CEG. Under the CEG Master Services Agreement, CEG has the discretion to determine which of its employees perform assignments required to be provided to the Company. Any failure to effectively manage the Company's processes related to internal controls over financial reporting, operations or to implement its strategy could have a material adverse effect on the business, financial condition, results of operations and cash flows. The CEG Master Services Agreement will continue in perpetuity, until terminated in accordance with its terms.

The Company also depends upon CEG and third parties for the provision of management, administration, O&M and certain other services at certain of the Company's facilities. Any failure by CEG or third parties to perform its requirements under these arrangements or the failure by the Company to identify and contract with replacement service providers, if required, could adversely affect the operation of the Company's facilities and have a material adverse effect on the business, financial condition, results of operations and cash flows.

CEG controls the Company and has the ability to designate a majority of the members of Clearway, Inc.'s Board.

Due to CEG's approximate 54.91% combined voting power in Clearway, Inc., the ability of other holders of Clearway, Inc.'s Class A and Class C common stock to exercise control over the corporate governance of the Company is limited. CEG has a substantial influence on Clearway, Inc.'s affairs, and CEG's voting power constitutes a large percentage of any quorum of Clearway, Inc.'s stockholders voting on any matter requiring the approval of Clearway, Inc.'s stockholders. Such matters include the election of directors, the adoption of amendments to Clearway, Inc.'s amended and restated certificate of incorporation and fourth amended and restated bylaws and approval of mergers or sale of all or substantially all of its assets. This concentration of ownership may also have the effect of delaying or preventing a change in control of Clearway, Inc. or discouraging others from making tender offers for Clearway, Inc.'s shares. In addition, CEG and its affiliates have the right to elect all of Clearway, Inc.'s directors. It is possible that the interests of CEG and its affiliates may in certain circumstances differ from the interests of the Company or other holders of Clearway, Inc.'s Class A and Class C common stock.

The Company may not be able to consummate future acquisitions from CEG.

The Company's ability to grow through acquisitions depends, in part, on CEG's ability to identify and present the Company with acquisition opportunities. CEG has not agreed to commit a specific level of dedicated resources for the pursuit of renewable power-related acquisitions. There are a number of factors which could materially and adversely impact the extent to which suitable acquisition opportunities are made available from CEG, including that the same professionals within CEG's organization that are involved in acquisitions that are suitable for the Company have responsibilities within CEG's broader asset management business, which may include sourcing acquisition opportunities for CEG. Limits on the availability of such individuals will likewise result in a limitation on the availability of acquisition opportunities for the Company. In making these determinations, CEG may be influenced by factors that result in a misalignment with the Company's interests or conflict of interest.

The Company may be unable to terminate the CEG Master Services Agreement, in certain circumstances.

The CEG Master Services Agreement provides that the Company may terminate the agreement upon 30 days prior written notice to CEG upon the occurrence of any of the following: (i) CEG defaults in the performance or observance of any material term, condition or covenant contained therein in a manner that results in material harm to the Company and the default continues unremedied for a period of 30 days after written notice thereof is given to CEG; (ii) CEG engages in any act of fraud, misappropriation of funds or embezzlement that results in material harm to the Company; (iii) CEG is grossly negligent in the performance of its duties under the agreement and such negligence results in material harm to the Company; or (iv) upon the happening of certain events relating to the bankruptcy or insolvency of CEG. Furthermore, if the Company requests an amendment to the scope of services provided by CEG under the CEG Master Services Agreement and is not able to agree with CEG as to a change to the service fee resulting from a change in the scope of services within 180 days of the request, the Company will be able to terminate the agreement upon 30 days prior notice to CEG. The Company will not be able to terminate the agreement for any other reason, including if CEG experiences a change of control, and the agreement continues in perpetuity, until terminated in accordance with its terms. If CEG's performance does not meet the expectations of investors, and the Company is unable to terminate the CEG Master Services Agreement, the market price of the Class A and Class C common stock could suffer.

If CEG terminates the CEG Master Services Agreement or defaults in the performance of its obligations under the agreement, the Company may be unable to contract with a substitute service provider on similar terms, or at all.

The Company relies on CEG to provide certain services under the CEG Master Services Agreement. The CEG Master Services Agreement provides that CEG may terminate the agreement upon 180 days prior written notice of termination to the Company if the Company defaults in the performance or observance of any material term, condition or covenant contained in the agreement in a manner that results in material harm and the default continues unremedied for a period of 30 days after written notice of the breach is given. If CEG terminates the Management Services Agreement or defaults in the performance of its obligations under the agreement, the Company may be unable to contract with CEG or a substitute service provider on similar terms or at all, and the costs of substituting service providers may be substantial. In addition, in light of CEG's familiarity with the Company's assets, a substitute service provider may not be able to provide the same level of service due to lack of pre-existing synergies.

The liability of CEG is limited under the Company's arrangements with it and the Company has agreed to indemnify CEG against claims that it may face in connection with such arrangements, which may lead CEG to assume greater risks when making decisions relating to the Company than it otherwise might if acting solely for its own account.

Under the CEG Master Services Agreement, CEG does not assume any responsibility other than to provide or arrange for the provision of the services described in the CEG Master Services Agreement in good faith. In addition, under the CEG Master Services Agreement, the liability of CEG and its affiliates is limited to the fullest extent permitted by law to conduct involving bad faith, fraud, willful misconduct or gross negligence or, in the case of a criminal matter, action that was known to have been unlawful. In addition, the Company has agreed to indemnify CEG 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 the Company's operations, investments and activities or in respect of or arising from the CEG Master Services Agreement or the services provided by CEG, 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. These protections may result in CEG tolerating greater risks when making decisions than otherwise might be the case, including when determining whether to use leverage in connection with acquisitions. The indemnification arrangements to which CEG is a party may also give rise to legal claims for indemnification that are adverse to the Company and its unit holders.

Certain of the Company's PPAs and project-level financing arrangements include provisions that would permit the counterparty to terminate the contract or accelerate maturity in the event CEG ceases to control or own, directly or indirectly, a majority of the voting power of the Company.

Certain of the Company's PPAs and project-level financing arrangements contain change in control provisions that provide the counterparty with a termination right or the ability to accelerate maturity in the event of a change of control of the Company without the counterparty's consent. These provisions are triggered in the event CEG ceases to own, directly or indirectly, capital stock representing more than 50% of the voting power of the Company's capital stock outstanding on such date, or, in some cases, if CEG ceases to be the majority owner, directly or indirectly, of the applicable project subsidiary. As a result, if CEG ceases to control, or in some cases, own a majority of the voting power of the Company, the counterparties could terminate such contracts or accelerate the maturity of such financing arrangements. The termination of any of the Company's PPAs or the acceleration of the maturity of any of the Company's project-level financing could have a material adverse effect on the Company's business, financial condition, results of operations and cash flow.

Risks Related to Regulation

The Company's business is subject to restrictions resulting from environmental, health and safety laws and regulations.

The Company is subject to various federal, state and local environmental and health and safety laws and regulations. In addition, the Company may be held primarily or jointly and severally liable for costs relating to the investigation and clean-up of any property where there has been a release or threatened release of a hazardous regulated material as well as other affected properties, regardless of whether the Company knew of or caused the release. In addition to these costs, which are typically not limited by law or regulation and could exceed an affected property's value, the Company could be liable for certain other costs, including governmental fines and injuries to persons, property or natural resources. Further, some environmental laws provide for the creation of a lien on a contaminated site in favor of the government as security for damages and any costs the government incurs in connection with such contamination and associated clean-up. Although the Company generally requires its operators to indemnify it for environmental liabilities the operators cause, the amount of such liabilities could exceed the financial ability of the operator to indemnify the Company. The presence of contamination or the failure to remediate contamination may adversely affect the Company's ability to operate the business.

Local, state, federal and international regulatory bodies have increasingly focused on greenhouse gas (GHG) regulation, which could increase the cost of electricity generated by fossil fuels and reduce demand for the power the Company's conventional assets generate and market. The EPA regulates GHG emissions from new and modified facilities that are potential major sources of criteria pollutants under the Clean Air Act and has adopted regulations that require, among other things, preconstruction and operating permits for certain large stationary sources and the monitoring and reporting of GHGs from certain oil and natural gas facilities. Further, the EPA recently announced strict new methane emissions regulations for oil and natural gas facilities, and the IRA established a charge on excess methane emissions from the same facilities. On the international level, under the Paris Agreement, the U.S. established an economy-wide target of reducing its net GHG emissions by 50-52 percent below 2005 levels by 2030 and achieving net zero GHG emissions economy-wide by no later than 2050. In December 2023, the United Nations Climate Change Conference issued a call on parties to the Paris Agreement, including the U.S., to contribute to the transitioning away from fossil fuels, reduction of methane emissions, and increase in renewable energy capacity to achieve net zero emissions by 2050. Many state and local officials have stated their intent to intensify efforts to uphold the commitments set forth in the international accord.

Legislation or regulation that restricts carbon emissions could increase the cost of environmental compliance for the Company's conventional assets by requiring the Company to install new equipment to reduce emissions from larger facilities and/or purchase emission allowances. Climate change and GHG legislation or regulation could also delay or otherwise negatively affect efforts to obtain and maintain permits and other regulatory approvals for the Company's conventional assets' existing and new facilities, impose additional monitoring and reporting requirements or adversely affect demand for the natural gas the Company gathers, transports and stores. The effect on the Company of any new legislative or regulatory measures will depend on the particular provisions that are ultimately adopted.

Governmental, scientific and public concern over the threat of climate change arising from GHG emissions has resulted in increasing political risks in the United States. Companies across all industries are facing increased scrutiny from the public, stakeholders and government agencies related to their environmental, social, and governance, or ESG, practices and commitments to address climate change. For example, the SEC proposed enhanced climate-related disclosures in March 2022, which are expected to be finalized in the first half of 2024, and in September 2023, California passed climate-related disclosure mandates, which are broader than the SEC's proposed rules. In recent years, investor advocacy groups, institutional investors, investment funds, and other influential investors have placed increasing importance on ESG practices. Increased focus and activism related to ESG and similar matters may hinder access to capital, as investors may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. While the Company is committed to engaging with its stakeholders on ESG practices in a proactive, holistic and integrated manner, changes in the public or stakeholder sentiment could impact the Company's ability to fund its conventional assets or decrease the demand for the energy generated by these assets. In addition, the additional disclosure requirements involve a significant recordkeeping requirement, which could result in the need for additional resources to support compliance. The Company will also be reliant upon its vendors in providing the necessary information for compliance, which may provide additional challenges in meeting compliance requirements.

The electric generation business is subject to substantial governmental regulation and may be adversely affected by changes in laws or regulations, as well as liability under, or any future inability to comply with, existing or future regulations or other legal requirements.

The Company's electric generation business is subject to extensive U.S. federal, state and local laws and regulations. Compliance with the requirements under these various regulatory regimes may cause the Company to incur significant additional costs, and failure to comply with such requirements could result in the shutdown of the non-complying facility, the imposition of liens, fines, and/or civil or criminal liability. Public utilities under the FPA are required to obtain FERC acceptance of their rate schedules for wholesale sales of electric energy, capacity and ancillary services. Except for generating facilities located in Hawaii or in Texas within the footprint of ERCOT, all of the Company's generating companies are public utilities under the FPA with market-based rate authority unless exempt from FPA public utility rate regulation. FERC's orders that grant market-based rate authority to wholesale power sellers reserve the right to revoke or revise that authority if FERC subsequently determines that the seller can exercise market power in transmission or generation, create barriers to entry, or engage in abusive affiliate transactions. In addition, public utilities are subject to FERC reporting requirements that impose administrative burdens and that, if violated, can expose the company to criminal and civil penalties or other risks.

The Company's market-based sales are subject to certain rules prohibiting manipulative or deceptive conduct, and if any of the Company's generating companies with market-based rate authority are deemed to have violated those rules, they could be subject to potential disgorgement of profits associated with the violation, penalties, suspension or revocation of market-based rate authority. If such generating companies were to lose their market-based rate authority, such companies would be required to obtain FERC's acceptance of a cost-of-service rate schedule and could become subject to the significant accounting, record-keeping, and reporting requirements that are imposed on utilities with cost-based rate schedules. This could have a material adverse effect on the rates the Company is able to charge for power from its facilities.

All of the Company's generating assets are operating either as EWGs as defined under the PUHCA, or as QFs as defined under the PURPA, as amended, and therefore are exempt from certain regulation under the PUHCA and the FPA. If a facility fails to maintain its status as an EWG or a QF or there are legislative or regulatory changes revoking or limiting the exemptions to the PUHCA and/or the FPA, then the Company may be subject to significant accounting, record-keeping, access to books and records and reporting requirements, and failure to comply with such requirements could result in the imposition of penalties and additional compliance obligations.

Substantially all of the Company's generation assets are also subject to the reliability standards promulgated by the designated Electric Reliability Organization (currently the North American Electric Reliability Corporation, or NERC) and approved by FERC. If the Company fails to comply with the mandatory reliability standards, it could be subject to sanctions, including substantial monetary penalties and increased compliance obligations. The Company will also be affected by legislative and regulatory changes, as well as changes to market design, market rules, tariffs, cost allocations and bidding rules that occur in the existing regional markets operated by RTOs or ISOs, such as PJM. The RTOs/ISOs that oversee most of the wholesale power markets impose, and in the future may continue to impose, mitigation, including price limitations, offer caps, non-performance penalties and other mechanisms to address some of the volatility and the potential exercise of market power in these markets. These types of price limitations and other regulatory mechanisms may have a material adverse effect on the profitability of the Company's generation facilities acquired in the future that sell energy, capacity and ancillary products into the wholesale power markets. The regulatory environment for electric generation has undergone significant changes in the last several years due to state and federal policies affecting wholesale competition and the creation of incentives for the addition of large amounts of new renewable generation and, in some cases, transmission assets. These changes are ongoing, and the Company cannot predict the future design of the wholesale power markets or the ultimate effect that the changing regulatory environment will have on the Company's business. In addition, in some of these markets, interested parties have proposed to re-regulate the markets or require divestiture of electric generation assets by asset owners or operators to reduce their market share. Other proposals to re-regulate may be made and legislative or other attention to the electric power market restructuring process may delay or reverse the deregulation process. If competitive restructuring of the electric power markets is reversed, discontinued, or delayed, the Company's business prospects and financial results could be negatively impacted.

The Company is subject to environmental laws and regulations that impose extensive and increasingly stringent requirements on its operations, as well as potentially substantial liabilities arising out of environmental contamination.

The Company's assets are subject to numerous and significant federal, state and local laws, including statutes, regulations, guidelines, policies, directives and other requirements governing or relating to, among other things: protection of wildlife, including threatened and endangered species; air emissions; discharges into water; water use; the storage, handling, use, transportation and distribution of dangerous goods and hazardous, residual and other regulated materials, such as chemicals; the prevention of releases of hazardous materials into the environment; the prevention, presence and remediation of hazardous materials in soil and groundwater, both on and offsite; land use and zoning matters; and workers' health and safety matters. The Company's facilities could experience incidents, malfunctions and other unplanned events that could result in spills or emissions in excess of permitted levels and result in personal injury, penalties and property damage. Any failure to comply with applicable environmental laws and regulations, including those relating to equipment failures, or obtain required governmental approvals and permits, may result in the assessment of administrative, civil or criminal penalties, imposition of investigatory or remedial activities and, in certain, less common circumstances, issuance of temporary or permanent injunctions, or construction or operation bans or delays. As such, the operation of the Company's facilities carries an inherent risk of environmental, health and safety liabilities (including potential civil actions, compliance or remediation orders, fines and other penalties), and may result in the assets being involved from time to time in administrative and judicial proceedings relating to such matters. The Company has implemented environmental, health and safety management programs designed to continually improve environmental, health and safety performance. Environmental laws and regulations have generally become more stringent over time. Significant costs may be incurred for capital expenditures under environmental programs to keep the assets compliant with such environmental laws and regulations. If it is not economical to make those expenditures, it may be necessary to retire or mothball facilities or restrict or modify the Company's operations to comply with more stringent standards. These environmental requirements and liabilities could have a material adverse effect on the business, financial condition, results of operations and cash flows.

The Company's business is subject to complex and evolving U.S. laws and regulations regarding privacy and data protection ("data protection laws"). Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, increased cost of operations, or otherwise harm the Company's business.

The regulatory environment surrounding data privacy and protection is constantly evolving and can be subject to significant change. New data protection laws pose increasingly complex compliance challenges and potentially elevate the Company's costs. Complying with varying jurisdictional requirements could increase the costs and complexity of compliance, and violations of applicable data protection laws can result in significant penalties. Any failure, or perceived failure, by the Company to comply with applicable data protection laws could result in proceedings or actions against the Company by governmental entities or others, subject the Company to significant fines, penalties, judgments, and negative publicity, require the Company to change its business practices, increase the costs and complexity of compliance, and adversely affect the Company's business. As noted above, the Company is also subject to the possibility of cyberattacks, which themselves may result in a violation of these laws. Additionally, if the Company acquires a company that has violated or is not in compliance with applicable data protection laws, the Company may incur significant liabilities and penalties as a result.

Government regulations providing incentives for renewable power generation could change at any time and such changes may negatively impact the Company's growth strategy.

The Company's growth strategy depends in part on government policies that support renewable generation and energy storage and enhance the economic viability of owning renewable power generation assets. Renewable power generation assets currently benefit from various federal, state and local governmental incentives such as ITCs, PTCs, loan guarantee programs, RPS programs and accelerated depreciation for tax purposes. These laws, regulations and policies have had a significant impact on the development of renewable power generation projects and they could be changed, reduced or eliminated at any time. These incentives make the development of renewable power generation projects more competitive by providing tax credits or grants and accelerated depreciation for a portion of the development costs, decreasing the costs and risks associated with developing such projects or creating demand for renewable power assets through RPS programs.

The elimination or loss of, or reduction in, such incentives could (i) decrease the attractiveness of renewable power generation projects to developers, including, but not limited to, CEG, which could reduce the Company's acquisition opportunities, (ii) reduce the Company's willingness to pursue or develop certain renewable power projects due to higher operating costs or decreased revenues under its PPAs, (iii) cause the market for future renewable energy PPAs to be smaller and the prices for future renewable energy PPAs to be lower and/or (iv) result in increased financing costs and difficulty in obtaining financing on acceptable terms.

Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations and ability to grow its business and make cash distributions.

Revenue earned by GenConn is established each year in a rate case; accordingly, the profitability of its assets is dependent on regulatory approval.

Revenues related to GenConn are established each year by the Connecticut Public Utilities Regulatory Authority. While such regulatory oversight is generally premised on the recovery of prudently incurred costs and a reasonable rate of return on invested capital, the rates that GenConn may charge, or the revenue that the Company may earn through its GenConn investment, which is accounted for under the equity method, with respect to this capacity are subject to authorization of the applicable regulatory authorities. There can be no assurance that such regulatory authorities will consider all of the costs to have been prudently incurred or that the regulatory process by which rates or revenues are determined will always result in rates or revenues that achieve full recovery of costs or an adequate return on the Company's capital investments. While GenConn's rates and revenues are generally established based on an analysis of costs incurred in a base year, the rates GenConn is allowed to charge, and the revenues GenConn is authorized to earn, may or may not match the costs at any given time. If GenConn's costs are not adequately recovered through these regulatory processes, it could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Company's ability to comply with tax laws and policies may depend on its contractual arrangements and information provided by third parties and may require significant resources.

The IRA contains stringent compliance, recordkeeping and certification requirements in order to claim tax credits and incentives available. Additionally, in order to avoid possibly losing available credits, the Company must comply with prevailing wage and apprenticeship requirements applicable to projects on which construction began on or after December 31, 2022. The IRA does permit that certain defects in meeting the requirements may be timely cured under certain conditions rather than causing a loss of the tax credits.

Moreover, the documentation required for this compliance will come from third-party vendors, including equipment manufacturers and engineering, procurement and construction contractors and subcontractors as well as the Company's internal sources. In addition, if there are defects in compliance with the prevailing wages and apprenticeship requirements, the payments to cure such deficiencies will need to be made by these third parties to their employees. The conduct of these third parties can also impact the right to claim tax credits and/or the exposure to penalties if they fail to adequately comply with the tax laws.

While the Company has secured and will continue to attempt to secure the necessary access to the information required to meet its compliance and certification requirements under the tax law and has included and will continue to include in contracts with third parties rights to have third parties make cure payments if necessary, the Company may not be able to control whether appropriate documentation is actually available or provided in a timely manner and/or whether cure actions are taken by a third party in a timely fashion. This may result in the incurrence of penalties and loss of tax credits. It is also possible that the terms negotiated with third parties fail to meet the requirements of tax law either with respect to compliance requirements, documentation or conduct of third-parties. The impact of such noncompliance could materially adversely affect the Company's business, financial condition and results of operations.

Moreover, the costs and resources required to adequately comply with the requirements of the IRA and to monitor the activities of third parties are still to be determined as the Company puts in place its compliance and documentation program and as guidance from the Treasury in the form of notices and regulations continues to be issued.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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

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

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

Item 1B — Unresolved Staff Comments

None.

Item 1C — Cybersecurity

Risk Management and Strategy

The Company recognizes the critical importance of developing, implementing and maintaining robust cybersecurity measures to safeguard information systems and protect the confidentiality, integrity and availability of data.

Managing Material Risks & Integrated Overall Risk Management

The Company has strategically integrated cybersecurity risk management into its broader risk management framework to promote a company-wide culture of cybersecurity risk management. The Company's risk management team works closely with the IT department to continuously evaluate and address cybersecurity risks in alignment with business objectives and operational needs. In addition, the Company follows the National Institute of Standards and Technology (NIST) 800-53 Cybersecurity Framework.

Engage Third Parties on Risk Management

Recognizing the complexity and evolving nature of cybersecurity threats, the Company engages with a range of external experts, including cybersecurity consultants in evaluating and testing its risk management systems. The Company's collaboration with these third parties includes regular audits; threat and vulnerability assessments; incident response plan testing; company-wide monitoring of cybersecurity risks; and consultation on security enhancements.

Oversee Third-Party Risk

Due to the risks associated with the engagement of third-party vendors, service providers and business partners, the Company applies stringent processes to manage these risks. Thorough security assessments of all third-party providers with access to internal data and information systems occurs before engagement, as well as ongoing monitoring to ensure compliance with relevant cybersecurity standards. The monitoring includes annual assessments by CEG's Vice President of Information Technology and its Director of Cybersecurity and assessments on an ongoing basis by the internal cybersecurity team. These services are provided to the Company pursuant to the CEG Master Services Agreement. This approach is designed to mitigate risks related to data breaches or other security incidents originating from third parties.

Risks from Cybersecurity Threats

The Company has not been subject to cybersecurity challenges or incidents that have materially affected, or are reasonably likely to materially affect the Company, its operations or financial standing.

Governance

Board of Directors Oversight

Clearway, Inc.'s Board of Directors has oversight of cybersecurity risks and is well informed with respect to the nature and scope of such risks. The Board of Directors is acutely aware of the critical nature of managing risks associated with cybersecurity threats. The Board has established oversight mechanisms to ensure effective governance in managing risks associated with cybersecurity as they recognize the significance of these risks and threats to operational integrity and stakeholder confidence.

Reporting to Board of Directors

The Vice President of Information Technology and Director of Cybersecurity play a pivotal role in informing Clearway, Inc.'s Board of Directors on cybersecurity risks. They provide briefings to the Board of Directors on a regular basis, with a minimum frequency of once per year. These briefings encompass a broad range of topics, including:

- Current cybersecurity threat landscape and emerging threats;
- Status of ongoing cybersecurity initiatives and strategies;
- Incident reports and learnings from any meaningful cybersecurity events; and
- Compliance status and efforts with regulatory requirements and industry standards.

In addition to scheduled meetings, the Board of Directors of Clearway, Inc., the Vice President of Information Technology and the Director of Cybersecurity maintain an ongoing dialogue regarding emerging cybersecurity risks. Together, they receive updates on significant developments in the cybersecurity domain. The Board of Directors actively participates in strategic decisions related to cybersecurity, offering guidance and approval for major strategic decisions and initiatives. This involvement advances the Company's overall strategy that cybersecurity considerations are integrated into its broader strategic objectives. The Board of Directors conducts an annual review of the Company's cybersecurity posture and the effectiveness of its risk management strategies through the information, findings and recommendations from the Company's internal cybersecurity team as well as third-party audits, penetration tests and incident response plan testing outcomes. This review helps identify areas for improvement and helps align cybersecurity efforts with the overall risk management framework.

Cybersecurity Risk Management Personnel

Primary responsibility for assessing, monitoring and managing cybersecurity risks is overseen by the Vice President of Information Technology and Director of Cybersecurity, whose services are provided to the Company under the CEG Master Services Agreement.

With over 20 years of experience in the field of cybersecurity, the current Vice President of Information Technology brings a wealth of expertise to their role. Their background includes extensive experience in information technology, and their in-depth knowledge and experience are instrumental in developing and executing the Company's cybersecurity strategies. They oversee the Company's IT governance programs; test compliance with internal, industry and regulatory standards; remediate known risks; and lead the Company's employee training program.

The current Director of Cybersecurity has over 30 years of experience in information technology across a variety of industries and compliance programs. The Director of Cybersecurity has been heavily focused on cybersecurity in regulated industries for the past 10 years.

Management's Role Managing Cybersecurity Risk

The Vice President of Information Technology and Director of Cybersecurity regularly inform the Company's management of all aspects related to cybersecurity risks and incidents. This ensures that the highest levels of management are kept abreast of the cybersecurity posture and potential risks facing the Company. Furthermore, significant cybersecurity matters and strategic risk management decisions are escalated to Clearway, Inc.'s Board of Directors, ensuring that they have insight and can provide guidance on critical cybersecurity issues.

Monitor Cybersecurity Incidents

The Vice President of Information Technology and Director of Cybersecurity are continually informed about the latest developments in cybersecurity, including emerging threats and innovative risk management techniques. They implement and oversee processes for the regular monitoring of the Company's information systems. This includes the deployment of advanced security measures and regular system audits to identify potential vulnerabilities. In the event of a cybersecurity incident, the Company is equipped with a defined and practiced incident response plan, which includes retainers from respected third parties. This plan includes immediate actions to mitigate the impact of the incident, long-term strategies for remediation and the prevention of future incidents.

Item 2 — Properties

Listed below are descriptions of the Company's interests in facilities, operations and/or projects owned or leased that were operating as of December 31, 2023.

		Capacity					Long-term Contract Terms	
Assets	Location	Rated MW	Net MW[(a)]	Ownership	Fuel	COD	Counterparty	Expiration
Conventional								
Carlsbad	Carlsbad, CA	527	527	100 %	Natural Gas	December 2018	San Diego Gas & Electric	2038
El Segundo	El Segundo, CA	550	550	100 %	Natural Gas	August 2013	SCE	2026 - 2027
GenConn Devon	Milford, CT	190	95	50 %	Natural Gas/Oil	June 2010	Connecticut Light & Power	2040
GenConn Middletown	Middletown, CT	190	95	50 %	Natural Gas/Oil	June 2011	Connecticut Light & Power	2041
Marsh Landing	Antioch, CA	720	720	100 %	Natural Gas	May 2013	Various	2026 - 2030
Walnut Creek	City of Industry, CA	485	485	100 %	Natural Gas	May 2013	SCE	2026
Total Conventional		2,662	2,472					
Utility Scale Solar								
Agua Caliente	Dateland, AZ	290	148	51 %	Solar	June 2014	PG&E	2039
Alpine	Lancaster, CA	66	66	100 %	Solar	January 2013	PG&E	2033
Avenal	Avenal, CA	45	23	50 %	Solar	August 2011	PG&E	2031
Avra Valley	Pima County, AZ	27	27	100 %	Solar	December 2012	Tucson Electric Power	2032
Blythe	Blythe, CA	21	21	100 %	Solar	December 2009	SCE	2029
Borrego	Borrego Springs, CA	26	26	100 %	Solar	February 2013	San Diego Gas and Electric	2038
Buckthorn Solar [(b)]	Fort Stockton, TX	150	150	100 %	Solar	July 2018	City of Georgetown, TX	2043
CVSR	San Luis Obispo, CA	250	250	100 %	Solar	October 2013	PG&E	2038
Daggett 2 [(b)]	San Bernardino, CA	182	46	25 %	Solar	December 2023	Various	2038
		131	33	25 %	BESS			
Daggett 3 [(b)]	San Bernardino, CA	300	75	25 %	Solar	July - November 2023	Various	2033 - 2038
		149	37	25 %	BESS			
Desert Sunlight 250	Desert Center, CA	250	63	25 %	Solar	December 2014	SCE	2034
Desert Sunlight 300	Desert Center, CA	300	75	25 %	Solar	December 2014	PG&E	2039
Kansas South	Lemoore, CA	20	20	100 %	Solar	June 2013	PG&E	2033
Mililani I [(b)]	Honolulu, HI	39	20	50 %	Solar	July 2022	Hawaiian Electric Company	2042
		39	20	50 %	BESS			
Oahu Solar Projects [(b)]	Oahu, HI	61	61	100 %	Solar	September 2019	Hawaiian Electric Company	2041
Roadrunner	Santa Teresa, NM	20	20	100 %	Solar	August 2011	El Paso Electric	2031
Rosamond Central [(b)]	Rosamond, CA	192	96	50 %	Solar	December 2020	Various	2035 - 2047
TA High Desert	Lancaster, CA	20	20	100 %	Solar	March 2013	SCE	2033
Texas Solar Nova 1 [(b)]	Kent County, TX	252	126	50 %	Solar	December 2023	Verizon	2042
Utah Solar Portfolio	Various	530	530	100 %	Solar	July - September 2016	PacifiCorp	2036
Waiawa [(b)]	Honolulu, HI	36	18	50 %	Solar	January 2023	Hawaiian Electric Company	2043
		36	18	50 %	BESS			
Total Utility Scale Solar		3,432	1,989					

Assets	Location	Capacity Rated MW	Net MW[(a)]	Ownership	Fuel	COD	Long-term Contract Terms Counterparty	Expiration
Distributed Solar								
DGPV Fund Projects [(b)]	Various	286	286	100 %	Solar	September 2015 - March 2019	Various	2030 - 2044
Solar Power Partners (SPP) Projects	Various	25	25	100 %	Solar	June 2008 - June 2012	Various	2024 - 2037
Other DG Projects	Various	21	21	100 %	Solar	December 2010 - October 2015	Various	2025 - 2039
Total Distributed Solar		332	332					
Wind								
Alta I	Tehachapi, CA	150	150	100 %	Wind	December 2010	SCE	2035
Alta II	Tehachapi, CA	150	150	100 %	Wind	December 2010	SCE	2035
Alta III	Tehachapi, CA	150	150	100 %	Wind	February 2011	SCE	2035
Alta IV	Tehachapi, CA	102	102	100 %	Wind	March 2011	SCE	2035
Alta V	Tehachapi, CA	168	168	100 %	Wind	April 2011	SCE	2035
Alta X	Tehachapi, CA	137	137	100 %	Wind	February 2014	SCE	2038
Alta XI	Tehachapi, CA	90	90	100 %	Wind	February 2014	SCE	2038
Black Rock [(b)]	Mineral and Grant Counties, WV	115	58	50 %	Wind	December 2021	Toyota and AEP	2036
Broken Bow	Custer County, NE	80	80	100 %	Wind	December 2012	Nebraska Public Power District	2032
Buffalo Bear	Buffalo, OK	19	19	100 %	Wind	December 2008	Western Farmers Electric Co-operative	2033
Cedro Hill	Webb County, TX	150	150	100 %	Wind	November 2010	CPS Energy	2030
Crofton Bluffs	Knox County, NE	42	42	100 %	Wind	November 2012	Nebraska Public Power District	2032
Elbow Creek [(b)]	Howard County, TX	122	122	100 %	Wind	November 2019	Various	2029
Elkhorn Ridge	Bloomfield, NE	81	54	66.7 %	Wind	March 2009	Nebraska Public Power District	2029
Forward	Berlin, PA	29	29	100 %	Wind	April 2008	Constellation NewEnergy, Inc.	2025
Goat Wind	Sterling City, TX	150	150	100 %	Wind	April 2008/June 2009	Dow Pipeline Company	2025
Langford [(b)]	Christoval, TX	160	160	100 %	Wind	November 2020	Goldman Sachs	2033
Laredo Ridge	Petersburg, NE	81	81	100 %	Wind	February 2011	Nebraska Public Power District	2031
Lookout	Berlin, PA	38	38	100 %	Wind	October 2008	Southern Maryland Electric Cooperative	2030
Mesquite Sky [(b)]	Callahan County, TX	340	170	50 %	Wind	December 2021	Various	2033 - 2036
Mesquite Star [(b)]	Fisher County, TX	419	210	50 %	Wind	May 2020	Various	2032 - 2035
Mountain Wind 1	Uinta County, Wyoming	61	61	100 %	Wind	July 2008	PacifiCorp	2033
Mountain Wind 2	Uinta County, Wyoming	80	80	100 %	Wind	September 2008	PacifiCorp	2033
Mt. Storm	Grant County, WV	264	264	100 %	Wind	October 2008	Citigroup	2031
Ocotillo	Forsan, TX	55	55	100 %	Wind	December 2023	N/A	
Odin	Mountain Lake, MN	21	21	100 %	Wind	June 2008	Missouri River Energy Services	2028
Pinnacle [(b)]	Keyser, WV	54	54	100 %	Wind	December 2021	Maryland Department of General Services and University System of Maryland	2031
Rattlesnake [(b)] [(c)]	Ritzville, WA	160	160	100 %	Wind	December 2020	Avista Corporation	2040
San Juan Mesa	Elida, NM	120	90	75 %	Wind	December 2005	Southwestern Public Service Company	2025

Assets	Location	Capacity		Ownership	Fuel	COD	Long-term Contract Terms	
		Rated MW	Net MW[(a)]				Counterparty	Expiration
Sleeping Bear	Woodward, OK	95	95	100 %	Wind	October 2007	Public Service Company of Oklahoma	2032
South Trent	Sweetwater, TX	101	101	100 %	Wind	January 2009	AEP Energy Partners	2029
Spanish Fork	Spanish Fork, UT	19	19	100 %	Wind	July 2008	PacifiCorp	2028
Spring Canyon II [(b)]	Logan County, CO	34	31	90.1 %	Wind	October 2014	Platte River Power Authority	2039
Spring Canyon III [(b)]	Logan County, CO	29	26	90.1 %	Wind	December 2014	Platte River Power Authority	2039
Taloga	Putnam, OK	130	130	100 %	Wind	July 2011	Oklahoma Gas & Electric	2031
Wildorado [(b)]	Vega, TX	161	161	100 %	Wind	December 2019 - January 2020	Southwestern Public Service Company	2027
Total Wind		4,157	3,658					
Total Clearway Energy LLC		10,583	8,451					

[(a)] Net capacity represents the maximum, or rated, generating capacity or storage capacity of the facility multiplied by the Company's percentage ownership in the facility as of December 31, 2023.

[(b)] Projects are part of tax equity arrangements, as further described in Item 15 — Note 2, *Summary of Significant Accounting Policies*.

[(c)] Rattlesnake has a deliverable capacity of 144 MW.

Item 3 — Legal Proceedings

See Item 15 — Note 14, *Commitments and Contingencies*, to the Consolidated Financial Statements for discussion of the material legal proceedings to which the Company is a party or of which any of its properties is subject.

Item 4 — Mine Safety Disclosures

Not applicable.

PART II

Item 5 — Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information and Holders

As of the date of this report, there is no publicly-traded market for the Company's membership units. All of the Company's Class A and Class C units are held by Clearway, Inc. and all of the Company's Class B and Class D units are held by CEG.

Distributions

The following table lists the distributions paid on the Company's Class A, Class B, Class C and Class D units during the year ended December 31, 2023:

	Fourth Quarter 2023	Third Quarter 2023	Second Quarter 2023	First Quarter 2023
Distributions per Class A and Class B unit	$ 0.3964	$ 0.3891	$ 0.3818	$ 0.3745
Distributions per Class C and Class D unit	0.3964	0.3891	0.3818	0.3745

On February 14, 2024, the Company declared a quarterly distribution on its Class A, Class B, Class C and Class D units of $0.4033 per unit payable on March 15, 2024.

In addition to the quarterly distributions, the Company paid $51 million in additional distributions, $30 million of which was distributed to Clearway, Inc. and $21 million of which was distributed to CEG, during the year ended December 31, 2023, in order for Clearway, Inc. to make certain additional tax payments primarily associated with the sale of the Thermal Business.

Item 6 — Reserved

Item 7 — Management's Discussion and Analysis of Financial Condition and the Results of Operations

As you read this discussion and analysis, refer to the Company's Consolidated Statements of Income to this Form 10-K. Also refer to Item 1 — *Business* and Item 1A — *Risk Factors*, which include detailed discussions of various items impacting the Company's business, results of operations and financial condition. Discussions of the year ended December 31, 2021 that are not included in this Annual Report on Form 10-K and year-to-year comparisons of the year ended December 31, 2022 and the year ended December 31, 2021 can be found in "Management's Discussion and Analysis of Financial Condition and the Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

The discussion and analysis below has been organized as follows:

- Executive Summary, including a description of the business and significant events that are important to understanding the results of operations and financial condition;
- Results of operations, including an explanation of significant differences between the periods in the specific line items of the consolidated statements of income;
- Financial condition addressing liquidity position, sources and uses of cash, capital resources and requirements, commitments and off-balance sheet arrangements;
- Known trends that may affect the Company's results of operations and financial condition in the future; and
- Critical accounting policies which are most important to both the portrayal of the Company's financial condition and results of operations, and which require management's most difficult, subjective or complex judgment.

Executive Summary

Introduction and Overview

Clearway Energy LLC, together with its consolidated subsidiaries, or the Company, is an energy infrastructure investor with a focus on investments in clean energy and owner of modern, sustainable and long-term contracted assets across North America. The Company is sponsored by GIP and TotalEnergies through the portfolio company, Clearway Energy Group LLC, or CEG, which is equally owned by GIP and TotalEnergies. GIP is an independent infrastructure fund manager that makes equity and debt investments in infrastructure assets and businesses. TotalEnergies is a global multi-energy company. CEG is a leading developer of renewable energy infrastructure in the U.S. On January 12, 2024, BlackRock entered into a definitive agreement to acquire 100% of the business and assets of GIM, which is the investment manager of the GIP funds that own an interest in CEG. BlackRock has indicated that the transaction is expected to close in the third quarter of 2024, subject to regulatory approvals and other customary closing conditions. BlackRock is a publicly-traded global investment management firm.

The Company is one of the largest renewable energy owners in the U.S. with approximately 6,000 net MW of installed wind, solar and energy storage projects. The Company's approximately 8,500 net MW of assets also includes approximately 2,500 net MW of environmentally-sound, highly efficient natural gas-fired generation facilities. Through this environmentally-sound, diversified and primarily contracted portfolio, the Company endeavors to increase distributions to its unit holders. The majority of the Company's revenues are derived from long-term contractual arrangements for the output or capacity from these assets. The weighted average remaining contract duration of these offtake agreements was approximately 10 years as of December 31, 2023 based on CAFD.

Significant Events

Drop Down Transactions

- On December 28, 2023, the Company, through its indirect subsidiary, Lighthouse Renewable Holdco 2 LLC, acquired TSN1 BL Borrower Holdco LLC, the indirect owner of Texas Solar Nova 1, a 252 MW solar project that is located in Kent County, Texas, from Clearway Renew for cash consideration of $23 million. Lighthouse Renewable Holdco 2 LLC is a partnership between the Company and a cash equity investor. The cash equity investor also contributed cash consideration of $109 million to acquire their portion of the acquired entity. TSN1 BL Borrower Holdco LLC consolidates as primary beneficiary, TSN1 TE Holdco LLC, a tax equity fund that owns the Texas Solar Nova 1 solar project. See Item 15 — Note 3, *Acquisitions and Dispositions*, for further discussion of the transaction.

- On October 31, 2023, the Company, through its indirect subsidiary, VP-Arica Parent Holdco LLC, acquired the Class A membership interests in VP-Arica TargetCo LLC, a partnership and the indirect owner of Victory Pass, a 200 MW solar project that is paired with 50 MW of energy storage, and Arica, a 263 MW solar project that is paired with 136 MW of energy storage, which are both currently under construction in Riverside, California, from Clearway Renew for initial cash consideration of $46 million. Simultaneously, a cash equity investor acquired the Class B membership interests in VP-Arica TargetCo LLC from Clearway Renew for initial cash consideration of $87 million. At substantial completion, which is expected to occur in the first half of 2024, the Company estimates it will pay an additional $182 million to Clearway Renew and the cash equity investor will contribute an additional $347 million. VP-Arica TargetCo LLC consolidates as primary beneficiary, VP-Arica TE Holdco LLC, a tax equity fund that owns the Victory Pass and Arica solar projects. See Item 15 — Note 3, *Acquisitions and Dispositions*, for further discussion of the transaction.

- On August 30, 2023, the Company, through an indirect subsidiary, entered into an agreement with Clearway Renew to acquire the Class A membership interests in Texas Solar Nova 2, a 200 MW solar project currently under construction in Kent County, Texas, upon the project meeting certain milestones. The Company expects to invest approximately $17 million, subject to closing adjustments. Commercial operations of the facilities and the Company's investment is expected in the first half of 2024.

- On August 30, 2023, the Company, through its indirect subsidiary, Daggett Solar Investment LLC, acquired the Class A membership interests in Daggett 2 TargetCo LLC, a partnership and the indirect owner of Daggett 2, a 182 MW solar project that is paired with 131 MW of energy storage and is located in San Bernardino, California, from CEG for cash consideration of $13 million. Daggett 2 TargetCo LLC consolidates as primary beneficiary, Daggett 2 TE Holdco LLC, a tax equity fund that owns the Daggett 2 solar project. See Item 15 — Note 3, *Acquisitions and Dispositions*, for further discussion of the transaction.

- On June 30, 2023, the Company, through its indirect subsidiary, Rosie Class B LLC, the indirect owner of the Rosamond Central solar project, became the owner of the Class B membership interests of Rosie Central BESS in order to facilitate and fund the construction of a 147 MW BESS project that is co-located at the Rosamond Central solar facility. Clearway Renew indirectly owns the Class A membership interests and controls Rosie Central BESS. As of December 31, 2023, the Company's investment consisted of $28 million contributed into Rosie Central BESS, funded through contributions from the Company and its cash equity investor in Rosie TargetCo LLC, which consolidates Rosie Class B LLC. On December 1, 2023, the Rosamond Central solar project acquired the BESS project from Clearway Renew for initial cash consideration of $70 million, $16 million of which was funded by the Company with the remaining $54 million funded through contributions from third-party investors. At substantial completion, which is expected to occur in the first half of 2024, the Company estimates it will pay an additional $279 million to Clearway Renew, $61 million of which will be funded by the Company with the remaining $218 million to be funded through contributions from third-party investors. Also at substantial completion, Clearway Renew will return Rosie Class B LLC's equity investment. See Item 15 — Note 3, *Acquisitions and Dispositions* and Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*, for further discussion of the transactions.

- On May 19, 2023, the Company, through an indirect subsidiary, entered into an agreement with Clearway Renew to acquire Cedar Creek Holdco LLC, which is the indirect owner of Cedar Creek, a 160 MW wind project under construction in Bingham County, Idaho, for $107 million in cash, subject to customary working capital adjustments. Upon the closing of the transaction, the Company will indirectly own all of the Class B membership interests in Cedar Creek TE Holdco LLC, a tax equity fund which will consolidate the Cedar Creek wind project, while a tax equity investor will own all of the Class A membership interests. The consummation of the transaction is subject to customary closing conditions and certain third-party approvals and is expected in the first half of 2024.

- On May 3, 2023, the Company entered into an agreement with Clearway Renew to repower the Cedro Hill wind project, which is included in the Capistrano Wind Portfolio and is located in Bruni, Texas. The Company expects to invest approximately $36 million in net corporate capital, subject to closing adjustments. Contingent upon achieving repowering commercial operations in the second half of 2024, the 160 MW project will sell power to its existing counterparty, an investment-grade utility, for an additional 15 years ending in 2045 under an amended PPA.

- On February 17, 2023, the Company, through its indirect subsidiary, Daggett Solar Investment LLC, acquired the Class A membership interests in Daggett TargetCo LLC, the indirect owner of Daggett 3, a 300 MW solar project that is paired with 149 MW of energy storage and located in San Bernardino, California, from Clearway Renew for cash consideration of $21 million. Simultaneously, a cash equity investor acquired the Class B membership interests in Daggett TargetCo LLC from Clearway Renew for cash consideration of $129 million. The Company and the cash equity investor then contributed their Class A and B membership interests, respectively, into Daggett Renewable Holdco LLC, a partnership that consolidates Daggett TargetCo LLC. Daggett TargetCo LLC consolidates as primary beneficiary, Daggett TE Holdco LLC, a tax equity fund that owns the Daggett 3 solar project. See Item 15 — Note 3, *Acquisitions and Dispositions*, for further discussion of the transaction.

Resource Adequacy Agreements

- In October 2023, the Company contracted with a load serving entity to sell approximately 400 MW of Marsh Landing's RA commencing in September 2026 and ending in December 2027. Marsh Landing is now contracted for 100% of its capacity through the majority of 2026 and 63% of its capacity in 2027.

- In October 2023, the Company contracted with a load serving entity to sell approximately 274 MW of El Segundo's RA commencing in August 2026 and ending in December 2027. El Segundo is now contracted for 100% of its capacity through the majority of 2026 and 50% of its capacity in 2027.

Corporate Financing Activities

- On March 15, 2023, Clearway Energy Operating LLC refinanced the Amended and Restated Credit Agreement. See Item 15 — Note 10, *Long-term Debt*, for further discussion of the amendment.

Project-level Financing Activities

- In connection with the Drop Downs of Daggett 3, Daggett 2, Victory Pass, Arica and Texas Solar Nova 1, the Company assumed non-recourse project-level debt. See Item 15 — Note 10, *Long-term Debt*, for further discussion of the non-recourse project-level debt associated with each project.

- On December 12, 2023, the Company entered into a financing agreement for non-recourse debt for a total commitment of $254 million related to the repowering of the Cedro Hill wind project. The Company's initial borrowing under the agreement was $165 million. See Item 15 — Note 10, *Long-term Debt*, for further discussion of the project financing activities.

- On June 30, 2023, Rosie Class B LLC amended its financing agreement. During the year ended December 31, 2023, Rosie Class B LLC received total loan proceeds of $265 million under the amended financing agreement. On July 3, 2023, Rosie Class B LLC issued a loan to Clearway Renew, utilizing a portion of the loan proceeds under the amended financing agreement, in order to finance the construction of the BESS project. On December 1, 2023, Clearway Renew partially repaid the loan utilizing the $70 million in proceeds that was paid by the Company to acquire the BESS project. As of December 31, 2023, the loan had an aggregate principal amount of $174 million. The loan matures when the project reaches substantial completion, which is expected in the first half of 2024. See Item 15 — Note 10, *Long-term Debt*, for further discussion of the project financing activities. Also, during the year ended December 31, 2023, the Company utilized a portion of the loan proceeds received under the amended financing agreement to contribute $18 million into Rosie Central BESS, which is an investment accounted for under the equity method of accounting, as further described above and in Item 15 — Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*.

Environmental Matters and Regulatory Matters

Details of environmental matters and regulatory matters are presented in Item 1 — *Business, Regulatory Matters* and Item 1A — *Risk Factors*. Details of some of this information relate to costs that may impact the Company's financial results.

Consolidated Results of Operations

The following table provides selected financial information:

(In millions)	Year ended December 31, 2023	2022	2021
Operating Revenues			
Energy and capacity revenues	$ 1,382	$ 1,465	$ 1,425
Other revenue	99	82	92
Contract amortization	(186)	(175)	(144)
Mark-to-market for economic hedges	19	(182)	(87)
Total operating revenues	1,314	1,190	1,286
Operating Costs and Expenses			
Cost of fuels	62	29	75
Operations and maintenance	314	295	279
Mark-to-market for economic hedges	(2)	—	—
Other costs of operations	99	111	97
Depreciation, amortization and accretion	526	512	509
Impairment losses	12	16	6
General and administrative	35	38	38
Transaction and integration costs	4	7	7
Development costs	—	2	6
Total operating costs and expenses	1,050	1,010	1,017
Gain on sale of business	—	1,292	—
Operating Income	264	1,472	269
Other Income (Expense)			
Equity in earnings of unconsolidated affiliates	12	29	32
Other income, net	52	17	3
Loss on debt extinguishment	(6)	(2)	(53)
Derivative interest (expense) income	(17)	100	53
Other interest expense	(320)	(332)	(365)
Total other expense, net	(279)	(188)	(330)
(Loss) Income Before Income Taxes	(15)	1,284	(61)
Income tax (benefit) expense	(2)	2	2
Net (Loss) Income	(13)	1,282	(63)
Less: Net loss attributable to noncontrolling interests and redeemable noncontrolling interests	(162)	(106)	(173)
Net Income Attributable to Clearway Energy LLC	$ 149	$ 1,388	$ 110

Business metrics:	Year ended December 31, 2023	2022	2021
Solar MWh generated/sold (in thousands) [(a)]	5,425	4,991	3,585
Wind MWh generated/sold (in thousands) [(a)]	9,414	9,343	7,728
Renewables MWh generated/sold (in thousands) [(a)]	14,839	14,334	11,313
Solar weighted-average capacity factor [(b) (c)]	27.5 %	28.4 %	24.2 %
Wind weighted-average capacity factor [(d)]	28.3 %	29.9 %	29.1 %
Thermal MWt sold (in thousands) [(e)]	—	835	2,035
Thermal MWh sold (in thousands) [(e)]	—	19	59
Conventional MWh generated (in thousands) [(a)(f)]	996	1,236	1,108
Conventional equivalent availability factor	90.2 %	92.2 %	94.7 %

[(a)] Volumes do not include the MWh generated/sold by the Company's equity method investments.
[(b)] Typical average capacity factors for solar facilities is 25%. The weighted-average capacity factors can vary based on seasonality and weather.
[(c)] The 2021 solar weighted-average capacity factor is lower, due to the Company owning the Utah Solar Portfolio for one month.
[(d)] Typical average capacity factors for wind facilities is 25-45%. The weighted-average capacity factors can vary based on seasonality and weather.
[(e)] On May 1, 2022, the Company completed the sale of 100% of its interests in the Thermal Business to KKR.
[(f)] Volumes generated in 2022 and 2021 were not sold as the Conventional facilities sold only capacity rather than energy prior to 2023.

Management's discussion of the results of operations for the years ended December 31, 2023 and 2022

Operating Revenues

Operating revenues increased by $124 million for the year ended December 31, 2023, compared to the same period in 2022, due to a combination of the drivers summarized in the table below:

		(In millions)
Renewables Segment	Increase driven by the acquisition of the Capistrano Wind Portfolio in August 2022.	$ 44
	Increase for solar acquisitions driven by Mililani I, Waiawa and Daggett 3, which reached commercial operations in July 2022, January 2023 and July 2023, respectively, offset by the disposition of Kawailoa in August 2022.	22
	Decrease driven primarily by lower than average wind production primarily during the second quarter of 2023, compared with higher than average wind production during the second quarter of 2022.	(43)
	Decrease driven primarily by lower solar generation due to weather.	(16)
Conventional Segment	Increase primarily driven by higher energy revenue due to the commencement of merchant operations following the expiration of PPAs at the Walnut Creek and Marsh Landing facilities during the second quarter of 2023 and the El Segundo facility during the third quarter of 2023.	81
	Increase driven by the sales-type lease revenue recognition of the Marsh Landing Black Start addition that commenced operations on May 31, 2023.	21
	Increase primarily driven by increased availability at the El Segundo facility in 2023 due to longer maintenance outages in 2022.	7
	Decrease primarily driven by lower prices for capacity revenue due to the expiration of PPAs and commencement of RA capacity revenue at the Walnut Creek, Marsh Landing and El Segundo facilities during 2023.	(105)
Thermal Segment	Decrease primarily driven by the sale of the Thermal Business on May 1, 2022.	(77)
Contract amortization	Increase primarily driven by a full year of amortization for intangible assets related to PPAs from the acquisition of the Capistrano Wind Portfolio in August 2022, partially offset by the Walnut Creek PPA, which was fully amortized in the first half of 2023.	(11)
Mark-to-market economic hedges	Increase driven by decreases in forward power prices in the ERCOT and PJM markets.	196
	Increase due to heat rate call option entered into by El Segundo, Marsh Landing and Walnut Creek during 2023.	5
		$ 124

Cost of Fuels

Cost of fuels increased by $33 million during the year ended December 31, 2023, compared to the same period in 2022, due to a combination of the drivers summarized in the table below:

		(In millions)
Conventional Segment	Increase primarily driven by fuel purchases and the related cost of emissions obligations at the Walnut Creek, Marsh Landing and El Segundo facilities as a result of the expiration of PPAs and the facilities commencing merchant operations during 2023.	$ 48
	Increase due to the associated costs of the sales-type lease recognition of the Marsh Landing Black Start addition that commenced operations on May 31, 2023.	13
Thermal Segment	Decrease primarily driven by the sale of the Thermal Business on May 1, 2022.	(28)
		$ 33

Operations and Maintenance Expense

Operations and maintenance expense increased by $19 million during the year ended December 31, 2023, compared to the same period in 2022, due to a combination of the drivers summarized in the table below:

			(In millions)
Renewables Segment	Increase driven by the acquisition of the Capistrano Wind Portfolio in August 2022.	$	16
	Increase for solar acquisitions driven by Daggett 3 in February 2023, Mililani I in March 2022 and Waiawa in November 2022, partially offset by the disposition of Kawailoa in August 2022.		8
	Increase primarily driven by maintenance activities at the wind facilities.		4
Conventional Segment	Increase primarily driven by higher costs related to outages at the Walnut Creek and Marsh Landing facilities.		5
	Increase primarily driven by higher costs related to planned maintenance outages at the Carlsbad and El Segundo facilities.		4
Thermal Segment	Decrease primarily driven by the sale of the Thermal Business on May 1, 2022.		(18)
		$	19

Gain on Sale of Business

On May 1, 2022, the Company completed the sale of 100% of its interests in the Thermal Business to KKR resulting in a gain on sale of business of approximately $1.29 billion, as further described in Item 15 — Note 3, *Acquisitions and Dispositions*.

Equity in Earnings of Unconsolidated Affiliates

Equity in earnings of unconsolidated affiliates decreased by $17 million during the year ended December 31, 2023, compared to the same period in 2022, primarily due to the change in fair value of interest swaps and higher depreciation expense, as well as lower wind production during the second quarter of 2023.

Other Income, Net

Other income, net increased $35 million during the year ended December 31, 2023, compared to the same period in 2022, primarily due to higher interest income earned on investments in money market and time deposit accounts, which have retained larger balances as a result of the proceeds received from the sale of the Thermal Business on May 1, 2022, along with higher interest income earned across the portfolio as a result of higher interest rates.

Interest Expense

Interest expense increased by $105 million during the year ended December 31, 2023, compared to the same period in 2022, primarily due to the following:

		(In millions)
Change in fair value of interest rate swaps due to changes in interest rates	$	117
Increase in interest expense due to an increase in principal balances of Renewables segment project-level debt		14
Decrease in interest expense due to a decrease in principal balances of Conventional segment project-level debt		(17)
Decrease in interest expense due to the sale of the Thermal Business on May 1, 2022		(6)
Decrease in interest expense due to decreased principal balances of Corporate debt, which includes repayment of the outstanding borrowings under the Bridge Loan Agreement and the revolving credit facility on May 3, 2022		(3)
	$	105

Income Tax (Benefit) Expense

For the year ended December 31, 2023, the Company recorded an income tax benefit of $2 million on pretax loss of $15 million. For the same period in 2022, the Company recorded an income tax expense of $2 million on pretax income of $1,284 million. The Company is classified as a partnership for federal and state income tax purposes. Therefore, federal and most state income taxes are assessed at the partner level. The franchise tax imposed by the state of Texas, however, is being assessed at the level of certain project subsidiaries of the Company, and therefore reflected as an income tax expense or benefit of the Company.

The Company is subject to examination by taxing authorities for income tax returns filed in the U.S. federal and various state jurisdictions. All tax returns filed by the Company for the year ended December 31, 2013 and forward remain subject to audit.

Net Loss Attributable to Noncontrolling Interests and Redeemable Noncontrolling Interests

For the year ended December 31, 2023, the Company had a net loss of $162 million attributable to noncontrolling interests and redeemable noncontrolling interests comprised of the following:

		(In millions)
Losses attributable to tax equity financing arrangements and the application of the HLBV method (primarily due to Daggett TE Holdco LLC and Daggett 2 TE Holdco LLC HLBV losses)	$	(388)
Income attributable to third-party partnerships (primarily due to Daggett TE Holdco LLC and Daggett 2 TE Holdco LLC HLBV losses)		226
	$	(162)

For the year ended December 31, 2022, the Company had a net loss of $106 million attributable to noncontrolling interests and redeemable noncontrolling interests comprised of the following:

		(In millions)
Losses attributable to tax equity financing arrangements and the application of HLBV	$	(87)
Losses attributable to third-party partnerships		(19)
	$	(106)

Liquidity and Capital Resources

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

Current Liquidity Position

As of December 31, 2023 and 2022, the Company's liquidity was approximately $1.51 billion and $1.37 billion, respectively, comprised of cash, restricted cash and availability under the Company's revolving credit facility.

	As of December 31,	
	2023	2022
	(In millions)	
Cash and cash equivalents:		
Clearway Energy LLC, excluding subsidiaries	$ 410	$ 536
Subsidiaries	125	121
Restricted cash:		
Operating accounts	176	109
Reserves, including debt service, distributions, performance obligations and other reserves	340	230
Total cash, cash equivalents and restricted cash	1,051	996
Revolving credit facility availability	454	370
Total liquidity	$ 1,505	$ 1,366

The Company's liquidity includes $516 million and $339 million of restricted cash balances as of December 31, 2023 and 2022, respectively. Restricted cash consists primarily of funds to satisfy the requirements of certain debt arrangements and funds held within the Company's projects that are restricted in their use. As of December 31, 2023, these restricted funds were comprised of $176 million designated to fund operating expenses, approximately $178 million designated for current debt service payments, and $85 million restricted for reserves including debt service, performance obligations and other reserves, as well as capital expenditures. The remaining $77 million is held in distribution reserve accounts.

Clearway Energy LLC and Clearway Energy Operating LLC Revolving Credit Facility

On March 15, 2023, Clearway Energy Operating LLC refinanced the Amended and Restated Credit Agreement, which (i) replaced LIBOR with SOFR plus a credit spread adjustment of 0.10% as the applicable reference rate, (ii) increased the available revolving commitments to an aggregate principal amount of $700 million, (iii) extended the maturity date to March 15, 2028, (iv) increased the letter of credit sublimit to $594 million and (v) implemented certain other technical modifications.

As of December 31, 2023, the Company had no outstanding borrowings under the revolving credit facility and $246 million in letters of credit outstanding. The facility will continue to be used for general corporate purposes, including financing of future acquisitions and posting letters of credit.

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

Credit Ratings

Credit rating agencies rate a firm's public debt securities. These ratings are utilized by the debt markets in evaluating a firm's credit risk. Ratings influence the price paid to issue new debt securities by indicating to the market the Company's ability to pay principal, interest and preferred dividends. Rating agencies evaluate a firm's industry, cash flow, leverage, liquidity and hedge profile, among other factors, in their credit analysis of a firm's credit risk. As of December 31, 2023, the Company's 2028 Senior Notes, 2031 Senior Notes and 2032 Senior Notes were rated BB by S&P and Ba2 by Moody's.

Sources of Liquidity

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

Cedro Hill Repowering Financing — On December 12, 2023, the Company entered into a financing agreement for non-recourse debt for a total commitment of $254 million related to the repowering of the Cedro Hill wind project. The Company's initial borrowing of $165 million was utilized to repay the $72 million of outstanding principal under the original financing agreement, to pay $55 million to Clearway Renew for the future delivery of equipment, to pay $27 million to a third party for the future delivery of equipment, to pay a $4 million development services fee to Clearway Renew, to pay for $4 million in debt issuance costs that were deferred and to pay for $3 million in capital expenditures.

Uses of Liquidity

The Company's requirements for liquidity and capital resources, other than for operating its facilities, are categorized as: (i) debt service obligations, as described more fully in Item 15 — Note 10, *Long-term Debt*; (ii) capital expenditures; (iii) off-balance sheet arrangements; (iv) acquisitions and investments, as described more fully in Item 15 — Note 3, *Acquisitions and Dispositions* and Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*; and (v) distributions.

Debt Service Obligations

Principal payments on debt as of December 31, 2023, are due in the following periods:

Description	2024	2025	2026	2027	2028	There- after	Total
				(In millions)			
Corporate-level debt:							
Intercompany Note with Clearway, Inc.	$ 1	$ —	$ —	$ —	$ —	$ —	$ 1
Clearway Energy Operating LLC Senior Notes, due 2028	—	—	—	—	850	—	850
Clearway Energy Operating LLC Senior Notes, due 2031	—	—	—	—	—	925	925
Clearway Energy Operating LLC Senior Notes, due 2032	—	—	—	—	—	350	350
Total Corporate-level debt	1	—	—	—	850	1,275	2,126
Project-level debt:							
Agua Caliente Solar LLC, due 2037	38	39	40	41	43	411	612
Alta Wind Asset Management LLC, due 2031	1	1	1	2	2	4	11
Alta Wind I-V lease financing arrangements, due 2034 and 2035	52	54	55	57	60	382	660
Alta Wind Realty Investments LLC, due 2031	2	2	3	3	3	7	20
Borrego, due 2024 and 2038	3	2	3	3	3	34	48
Broken Bow, due 2031	4	5	5	5	6	16	41
Buckthorn Solar, due 2025	4	112	—	—	—	—	116
Carlsbad Energy Holdings LLC, due 2027	23	24	26	20	—	—	93
Carlsbad Energy Holdings LLC, due 2038	—	—	—	7	25	375	407
Carlsbad Holdco, LLC, due 2038	2	3	9	11	9	161	195
Cedro Hill, due 2024 and 2029 [(a)]	165	—	—	—	—	—	165
Crofton Bluffs, due 2031	3	3	3	3	4	11	27
CVSR, due 2037	28	30	32	35	37	439	601
CVSR Holdco Notes, due 2037	9	9	9	9	10	106	152
Daggett 2, due 2028	1	1	1	1	152	—	156
Daggett 3, due 2028	—	—	—	—	217	—	217
DG-CS Master Borrower LLC, due 2040	29	30	30	28	20	248	385
Mililani Class B Member Holdco LLC, due 2028	3	3	3	3	80	—	92
NIMH Solar, due 2024	148	—	—	—	—	—	148
Oahu Solar Holdings LLC, due 2026	3	3	75	—	—	—	81
Rosie Class B LLC, due 2024 and 2029 [(a)]	347	—	—	—	—	—	347
Texas Solar Nova 1, due 2028	2	3	4	4	89	—	102
Utah Solar Portfolio, due 2036	14	15	16	16	12	169	242
Viento Funding II, LLC, due 2029	16	17	20	24	24	74	175
Victory Pass and Arica, due 2024 [(a)]	757	—	—	—	—	—	757
Other	15	15	16	16	16	46	124
Total project-level debt	1,669	371	351	288	812	2,483	5,974
Total debt	$ 1,670	$ 371	$ 351	$ 288	$ 1,662	$ 3,758	$ 8,100

[(a)] At December 31, 2023, amount includes $1.11 billion of construction-related financings recorded in long-term debt on the Company's consolidated balance sheet that is due in 2024 and is either being funded through long-term equity contributions or is converting to long-term debt.

Capital Expenditures

The Company's capital spending program is mainly focused on maintenance capital expenditures, consisting of costs to maintain the assets currently operating, such as costs to replace or refurbish assets during routine maintenance, and growth capital expenditures consisting of costs to construct new assets, and costs to complete the construction of assets where construction is in process.

For the years ended December 31, 2023 and 2022, the Company used approximately $212 million and $112 million, respectively, to fund capital expenditures, including maintenance capital expenditures of $22 million and $25 million, respectively. Growth capital expenditures in 2023 of $190 million in the Renewables segment were funded through construction-related financing. Renewables segment capital expenditures included $121 million incurred in connection with the Daggett 3 solar project, $23 million incurred in connection with the Daggett 2 solar project, $20 million incurred in connection with the Victory Pass and Arica solar projects, $11 million incurred in connection with the Waiawa solar project and $15 million incurred by other wind and solar projects. The Company estimates $40 million of maintenance capital expenditures for 2024. These estimates are subject to continuing review and adjustment and actual capital expenditures may vary from these estimates.

Off-Balance Sheet Arrangements

Obligations under Certain Guarantee Contracts

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

Retained or Contingent Interests

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

Obligations Arising Out of a Variable Interest in an Unconsolidated Entity

Variable interest in equity investments — As of December 31, 2023, the Company has several investments with an ownership interest percentage of 50% or less. GenConn and Rosie Central BESS are variable interest entities for which the Company is not the primary beneficiary. The Company's pro-rata share of non-recourse debt held by unconsolidated affiliates was approximately $303 million as of December 31, 2023. This indebtedness may restrict the ability of these subsidiaries to issue dividends or distributions to the Company. See also Item 15 — Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*.

Contractual Obligations and Commercial Commitments

In addition to the Company's capital expenditure programs, the Company has a variety of contractual obligations and other commercial commitments that represent prospective cash requirements. The following table summarizes the Company's contractual obligations. See Item 15 — Note 10*, Long-term Debt* and Note 15*, Leases,* for additional discussion.

	By Remaining Maturity at December 31,					
	2023					2022
Contractual Cash Obligations	Under 1 Year	1-3 Years	3-5 Years	Over 5 Years	Total	Total
	(In millions)					
Long-term debt (including estimated interest)	$ 1,990	$ 1,258	$ 2,395	$ 4,286	$ 9,929	$ 8,863
Operating leases	34	69	72	980	1,155	982
Natural gas transportation obligations [(a)]	2	5	—	—	7	—
Other liabilities [(b)]	29	55	46	315	445	300
Total	$ 2,055	$ 1,387	$ 2,513	$ 5,581	$ 11,536	$ 10,145

[(a)] These contractual cash obligations relate to reservation charges under the backbone transportation service contracts.

[(b)] Includes water right agreements, service and maintenance agreements and LTSA commitments.

Acquisitions and Investments

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

Texas Solar Nova 1 Drop Down — On December 28, 2023, the Company, through its indirect subsidiary, Lighthouse Renewable Holdco 2 LLC, acquired TSN1 BL Borrower Holdco LLC, the indirect owner of Texas Solar Nova 1, a 252 MW solar project that is located in Kent County, Texas, from Clearway Renew for cash consideration of $23 million. Lighthouse Renewable Holdco 2 LLC is a partnership between the Company and a cash equity investor. The cash equity investor also contributed cash consideration of $109 million to acquire their portion of the acquired entity. TSN1 BL Borrower Holdco LLC consolidates as primary beneficiary, TSN1 TE Holdco LLC, a tax equity fund that owns the Texas Solar Nova 1 solar project. Texas Solar Nova 1 has an 18-year PPA with an investment-grade counterparty that commenced in January 2024. The acquisition was funded with existing sources of liquidity. Additionally, the Company assumed the project's financing agreement, which included a construction loan that converted to a term loan at acquisition date along with a sponsor equity bridge loan and tax equity bridge loan that were both repaid at acquisition date.

Victory Pass and Arica Drop Down — On October 31, 2023, the Company, through its indirect subsidiary, VP-Arica Parent Holdco LLC, acquired the Class A membership interests in VP-Arica TargetCo LLC, a partnership and the indirect owner of the Victory Pass and Arica solar projects, from Clearway Renew for initial cash consideration of $46 million. At substantial completion, which is expected to occur in the first half of 2024, the Company estimates it will pay an additional $182 million to Clearway Renew. VP Arica TargetCo LLC consolidates as primary beneficiary, VP-Arica TE Holdco LLC, a tax equity fund that owns the Victory Pass and Arica solar projects. Victory Pass and Arica each have PPAs with investment-grade counterparties that have a 15-year and 14-year weighted average contract duration, respectively, that commence when the underlying operating assets reach commercial operations, which is expected to occur in the first half of 2024. The acquisition was funded with existing sources of liquidity. As part of the acquisition of Victory Pass and Arica, the Company assumed the project's financing agreement, which included a sponsor equity bridge loan that was partially paid off at acquisition date, and a tax equity bridge loan, both of which will be completely paid off when the projects reach substantial completion. Subsequent to the acquisition, the Company borrowed an additional $22 million in tax equity bridge loans.

Daggett 2 Drop Down — On August 30, 2023, the Company, through its indirect subsidiary, Daggett Solar Investment LLC, acquired the Class A membership interests in Daggett 2 TargetCo LLC, a partnership and the indirect owner of the Daggett 2 solar project, from CEG for cash consideration of $13 million. Daggett 2 TargetCo LLC consolidates as primary beneficiary, Daggett 2 TE Holdco LLC, a tax equity fund that owns the Daggett 2 solar project. Daggett 2 has PPAs with investment-grade counterparties that have a 15-year weighted average contract duration that commenced in December 2023. The acquisition was funded with existing sources of liquidity. Additionally, the Company assumed the project's financing agreement, which included a construction loan, a tax equity bridge loan and a sponsor equity bridge loan that was repaid at acquisition date. Subsequent to the acquisition, the Company borrowed an additional $49 million in construction loans. Upon the project reaching substantial completion on December 22, 2023, the tax equity bridge loan was repaid and the total outstanding construction loans were converted to a term loan in the amount of $156 million.

Rosamond Central BESS Drop Down and Financing Activities — On June 30, 2023, the Company, through its indirect subsidiary, Rosie Class B LLC, the indirect owner of the Rosamond Central solar project, became the owner of the Class B membership interests of Rosie Central BESS in order to facilitate and fund the construction of a BESS project that is co-located at the Rosamond Central solar facility. Clearway Renew indirectly owns the Class A membership interests and controls Rosie Central BESS. As of December 31, 2023, the Company's investment, which is accounted for under the equity method of accounting, consisted of $28 million contributed into Rosie Central BESS, funded through contributions from the Company and its cash equity investor in Rosie TargetCo LLC, which consolidates Rosie Class B LLC. On December 1, 2023, the Rosamond Central solar project acquired the BESS project from Clearway Renew for initial cash consideration of $70 million, $16 million of which was funded by the Company with the remaining $54 million funded through contributions from third-party investors. At substantial completion, which is expected to occur in the first half of 2024, the Company estimates it will pay an additional $279 million to Clearway Renew, $61 million of which will be funded by the Company with the remaining $218 million to be funded through contributions from the third-party investors. Also, at substantial completion, Clearway Renew will return Rosie Class B LLC's equity investment. The BESS project has a PPA for capacity with an investment-grade utility that has a 15-year contract duration that commences when the project reaches commercial operations, which is expected to occur in the first half of 2024. The Company's portion of the initial consideration was funded with existing sources of liquidity.

On June 30, 2023, Rosie Class B LLC amended its financing agreement. During the year ended December 31, 2023, Rosie Class B LLC received total loan proceeds of $265 million under the amended financing agreement. On July 3, 2023, Rosie Class B LLC issued a loan to Clearway Renew, utilizing a portion of the loan proceeds under the amended financing agreement, in order to finance the construction of the BESS project. On December 1, 2023, Clearway Renew partially repaid the loan utilizing the $70 million in proceeds that was paid by the Company to acquire the BESS project. As of December 31, 2023, the loan had an aggregate principal amount of $174 million and matures when the project reaches substantial completion. Also, during the year ended December 31, 2023, the Company utilized a portion of the loan proceeds received under the amended financing agreement to contribute $18 million into Rosie Central BESS.

Waiawa Drop Down — In connection with the 2022 Drop Down of Waiawa, the Company assumed the project's financing agreement, which includes a construction loan that converted to a term loan on March 30, 2023 upon the project reaching substantial completion and a tax equity bridge loan that was repaid on March 30, 2023.

Daggett 3 Drop Down — On February 17, 2023, the Company, through its indirect subsidiary, Daggett Solar Investment LLC, acquired the Class A membership interests in Daggett TargetCo LLC, the indirect owner of the Daggett 3 solar project, from Clearway Renew for cash consideration of $21 million and then contributed its Class A membership interests into Daggett Renewable Holdco LLC, a partnership that consolidates Daggett TargetCo LLC. Daggett TargetCo LLC consolidates as primary beneficiary, Daggett TE Holdco LLC, a tax equity fund that owns the Daggett 3 solar project. Daggett 3 has PPAs with investment-grade counterparties that have a 15-year weighted average contract duration that commenced between July 2023 and November 2023. The acquisition was funded with existing sources of liquidity. Additionally, the Company assumed the project's financing agreement, which included a construction loan, a tax equity bridge loan and a sponsor equity bridge loan that was repaid at acquisition date. Subsequent to the acquisition, the Company borrowed an additional $36 million in construction loans. Upon the project reaching substantial completion on December 1, 2023, the tax equity bridge loan was repaid and the total outstanding construction loans were converted to a term loan in the amount of $217 million. CEG also funded an additional $54 million in project completion costs subsequent to the acquisition, which was repaid to CEG in October 2023.

Cash Distributions to Clearway, Inc. and CEG

The Company intends to distribute to its unit holders in the form of a quarterly distribution all of the CAFD that is generated each quarter less reserves for the prudent conduct of the business, including among others, maintenance capital expenditures to maintain the operating capacity of the assets. Distributions on units are subject to available capital, market conditions and compliance with associated laws, regulations and other contractual obligations. The Company expects that, based on current circumstances, comparable distributions will continue to be paid in the foreseeable future.

The following table lists the distributions paid on the Company's Class A, Class B, Class C and Class D units during the year ended December 31, 2023:

	Fourth Quarter 2023	Third Quarter 2023	Second Quarter 2023	First Quarter 2023
Distributions per Class A and Class B units	$ 0.3964	$ 0.3891	$ 0.3818	$ 0.3745
Distributions per Class C and Class D units	0.3964	0.3891	0.3818	0.3745

On February 14, 2024, the Company declared a quarterly distribution on its Class A, Class B, Class C and Class D units of $0.4033 per unit payable on March 15, 2024.

In addition to the quarterly distributions, the Company paid $51 million in additional distributions, $30 million of which was distributed to Clearway, Inc. and $21 million of which was distributed to CEG, during the year ended December 31, 2023, in order for Clearway, Inc. to make certain additional tax payments primarily associated with the sale of the Thermal Business.

Cash Flow Discussion

The following table reflects the changes in cash flows for the comparative periods:

	Year ended December 31, 2023	2022	Change
	(In millions)		
Net cash provided by operating activities	$ 733	$ 797	$ (64)
Net cash (used in) provided by investing activities	(523)	1,065	(1,588)
Net cash used in financing activities	(155)	(1,520)	1,365

Net Cash Provided by Operating Activities

Changes to net cash provided by operating activities were driven by:	(In millions)
Decrease in working capital primarily driven by the timing of accounts receivable collections and payments of accounts payable	$ (41)
Decrease in operating income after adjusting for non-cash items	(34)
Decrease in distributions from unconsolidated affiliates	(7)
Transaction expenses paid on May 1, 2022 in connection with the sale of the Thermal Business	18
	$ (64)

Net Cash (Used In) Provided by Investing Activities

Changes to net cash (used in) provided by investing activities were driven by:	(In millions)
Proceeds from the sale of the Thermal Business in 2022	$ (1,457)
Increase in note receivable — affiliate	(174)
Increase in capital expenditures	(100)
Payment for equipment deposit from affiliate in 2023	(55)
Increase in investments in unconsolidated affiliates	(28)
Payment for equipment deposit in 2023	(27)
Acquisition of the Capistrano Wind Portfolio in 2022	223
Decrease in cash paid for Drop Down assets, net of cash acquired	26
Other	4
	$ (1,588)

Net Cash Used In Financing Activities

Changes in net cash used in financing activities were driven by:	(In millions)
Increase in contributions from noncontrolling interests and CEG, net of distributions	$ 968
Decrease in payments for the revolving credit facility, net of proceeds	245
Increase in proceeds for long-term debt, net of an increase in payments	166
Cash released from escrow distributed to CEG in 2022	64
Increase in tax-related distributions	(32)
Increase in distributions paid to unit holders	(22)
Increase in payments of debt issuance costs	(14)
Buyout of noncontrolling interest and redeemable noncontrolling interest in 2023	(13)
Other	3
	$ 1,365

Fair Value of Derivative Instruments

The Company may enter into energy-related commodity contracts to mitigate variability in earnings due to fluctuations in spot market prices. In addition, in order to mitigate interest rate risk associated with the issuance of variable rate debt, the Company enters into interest rate swap agreements.

The tables below disclose the activities of non-exchange traded contracts accounted for at fair value in accordance with ASC 820. Specifically, these tables disaggregate realized and unrealized changes in fair value; disaggregate estimated fair values at December 31, 2023, based on their level within the fair value hierarchy defined in ASC 820; and indicate the maturities of contracts at December 31, 2023. For a full discussion of the Company's valuation methodology of its contracts, see *Derivative Fair Value Measurements* in Item 15 — Note 6, *Fair Value of Financial Instruments.*

Derivative Activity (Losses)/Gains	(In millions)
Fair value of contracts as of December 31, 2022	$ (264)
Contracts realized or otherwise settled during the period	34
Contracts acquired during the period	47
Changes in fair value	(26)
Fair value of contracts as of December 31, 2023	$ (209)

	Fair value of contracts as of December 31, 2023				
	Maturity				
Fair Value Hierarchy Losses	1 Year or Less	Greater Than 1 Year to 3 Years	Greater Than 3 Years to 5 Years	Greater Than 5 Years	Total Fair Value
	(In millions)				
Level 2	$ 41	$ 25	$ 41	$ 14	$ 121
Level 3	(51)	(97)	(85)	(97)	(330)
Total	$ (10)	$ (72)	$ (44)	$ (83)	$ (209)

The Company has elected to disclose derivative assets and liabilities on a trade-by-trade basis and does not offset amounts at the counterparty master agreement level.

Critical Accounting Policies and Estimates

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

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

The Company's significant accounting policies are summarized in Item 15 — Note 2, *Summary of Significant Accounting Policies*. The Company identifies its most critical accounting policies as those that are the most pervasive and important to the portrayal of the Company's financial position and results of operations, and that require the most difficult, subjective and/or complex judgments by management regarding estimates about matters that are inherently uncertain. The Company's critical accounting policies include accounting utilizing Hypothetical Liquidation at Book Value, or HLBV, acquisition accounting and determining the fair value of financial instruments.

Accounting Policy	Judgments/Uncertainties Affecting Application
Hypothetical Liquidation at Book Value (HLBV)	Estimates of taxable income (loss) and tax capital accounts Estimated calculation of specified target investor returns Application of liquidation provisions of operating agreements
Acquisition Accounting	Identification of assets acquired Inputs for fair values of assets and liabilities acquired Application of appropriate fair value methodologies
Financial Instruments	Use of unobservable market inputs such as future electricity prices, future interest rates and discount rates

Hypothetical Liquidation at Book Value (HLBV)

Certain portions of the Company's redeemable noncontrolling interest and noncontrolling interest represent third-party interests in the net assets under certain tax equity arrangements, which are consolidated by the Company, that were established to finance the cost of facilities eligible for certain tax credits and benefits. The Company has determined that the provisions in the contractual agreements of these structures represent substantive profit sharing arrangements. Further, the Company has determined that the appropriate methodology for calculating the redeemable noncontrolling interest and noncontrolling interest that reflects the substantive profit sharing arrangements is a balance sheet approach utilizing the HLBV method. Under the HLBV method, the amounts reported as redeemable noncontrolling interest and noncontrolling interest represent the amounts the investors to the tax equity arrangements would hypothetically receive at each balance sheet date under the liquidation provisions of the contractual agreements, assuming the net assets of the funding structures were liquidated at their recorded amounts determined in accordance with GAAP. The investors' interests in the results of operations of the funding structures are determined as the difference in redeemable noncontrolling interest and noncontrolling interest at the start and end of each reporting period, after taking into account any capital transactions between the structures and the funds' investors. The calculations utilized to apply the HLBV method include estimated calculations of taxable income or losses for each reporting period as well as estimated calculations of tax capital accounts based on the relevant provisions of each agreement and the related tax guidance. In addition, these calculations often take into account the stipulated targeted investor return specified in the subsidiaries' operating agreement and agreed by the members of the arrangement. In certain circumstances, the Company and its partners in the tax equity arrangements agree that certain tax benefits are to be utilized outside of the tax equity arrangements, which may result in differences in the amount an investor would hypothetically receive at the initial balance sheet date calculated strictly in accordance with related contractual agreements. These differences are recognized in the consolidated statements of income using a systematic and rational method over the period during which the investor is expected to achieve its target return. In certain cases, the Company must apply judgment in determining the methodology for applying these concepts in the HLBV method and changes in certain factors may have a significant impact on the amounts that an investor would receive upon a hypothetical liquidation. The use of the HLBV method to allocate income (loss) to the noncontrolling interest holders may create volatility in the consolidated statements of income.

Acquisition Accounting

The Company applies ASC 805, *Business Combinations*, when accounting for acquisitions, with identifiable assets acquired and liabilities assumed recorded at their estimated fair values at acquisition date. For many of the Company's acquisitions, the Company applies ASC 805-50, which provides that acquisitions of entities under common control are recorded at historical cost, except in the case where the ultimate parent has a different basis, such as when an acquiree did not elect to apply pushdown accounting. In those circumstances, the Company may also be required to record its acquired assets and liabilities at acquisition date fair value.

Significant judgment is required in determining the acquisition date fair value of the assets acquired and liabilities assumed, predominantly with respect to property, plant and equipment, power purchase agreements, asset retirement obligations and other contractual arrangements for third-party acquisitions. Evaluations include numerous inputs including forecasted cash flows that incorporate the specific attributes of each asset including age, useful life, equipment condition and technology as well as current replacement costs for similar assets. Other key inputs that require judgment include discount rates, comparable market transactions, estimated useful lives and probability of future transactions. The Company evaluates all available information as well as all appropriate methodologies, when determining the fair value of assets acquired and liabilities assumed in a business combination. In addition, once the appropriate fair values are determined, the Company must determine the remaining useful life for property, plant and equipment and the amortization period and method of amortization for each finite-lived intangible asset.

Financial Instruments

The Company records its financial instruments, which primarily consist of derivative financial instruments, at fair value. The Company determines the fair value of its financial instruments using discounted cash flow models that require the use of assumptions concerning the amount of estimated future cash flows. The assumptions are determined using external, observable market inputs when available. When observable market inputs are not available, the Company must apply significant judgment to determine market participant assumptions such as future electricity prices, future natural gas prices, future interest rates and discount rates. As these inputs are based on estimates, fair values may not reflect the amounts actually realized from the related transaction.

Recent Accounting Developments

See Item 15 — Note 2, *Summary of Significant Accounting Policies*, for a discussion of recent accounting developments.

Item 7A — Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to several market risks in its normal business activities. Market risk is the potential loss that may result from market changes associated with the Company's power generation or with an existing or forecasted financial or commodity transaction. The types of market risks the Company is exposed to are commodity price risk, interest rate risk, liquidity risk and credit risk.

Commodity Price Risk

Commodity price risks result from exposures to changes in spot prices, forward prices, volatilities, and correlations between various commodities, such as electricity, natural gas and emissions credits. The Company manages the commodity price risk of certain of its merchant generation operations by entering into derivative or non-derivative instruments to hedge the variability in future cash flows from forecasted power sales. The portion of forecasted transactions hedged may vary based upon management's assessment of market, weather, operation and other factors. See Item 15 — Note 7, *Accounting for Derivative Instruments and Hedging Activities,* for more information.

Based on a sensitivity analysis using simplified assumptions, the impact of a $0.50 per MWh increase or decrease in power prices across the term of the long-term power commodity contracts would cause a change of approximately $6 million to the net value of the related derivatives as of December 31, 2023.

Interest Rate Risk

The Company is exposed to fluctuations in interest rates through its issuance of variable rate debt. Exposures to interest rate fluctuations may be mitigated by entering into derivative instruments known as interest rate swaps, caps, collars and put or call options. These contracts reduce exposure to interest rate volatility and result in primarily fixed rate debt obligations when taking into account the combination of the variable rate debt and the interest rate derivative instrument. See Item 15 — Note 7, *Accounting for Derivative Instruments and Hedging Activities*, for more information.

Most of the Company's project subsidiaries enter into interest rate swaps intended to hedge the risks associated with interest rates on non-recourse project level debt. See Item 15 — Note 10, *Long-term Debt*, for more information about interest rate swaps of the Company's project subsidiaries.

If all of the above swaps had been discontinued on December 31, 2023, the counterparties would have owed the Company $127 million. Based on the credit ratings of the counterparties, the Company believes its exposure to credit risk due to nonperformance by counterparties to its hedge contracts to be insignificant.

The Company has long-term debt instruments that subject it to the risk of loss associated with movements in market interest rates. As of December 31, 2023, a 1% change in interest rates would result in an approximately $4 million change in interest expense on a rolling twelve-month basis.

As of December 31, 2023, the fair value of the Company's debt was $7.61 billion and the carrying value was $8.10 billion. The Company estimates that a 1% decrease in market interest rates would have increased the fair value of its long-term debt by $338 million.

Liquidity Risk

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

Counterparty Credit Risk

Credit risk relates to the risk of loss resulting from non-performance or non-payment by counterparties pursuant to the terms of their contractual obligations. The Company monitors and manages credit risk through credit policies that include: (i) an established credit approval process, and (ii) the use of credit mitigation measures such as prepayment arrangements or volumetric limits. Risks surrounding counterparty performance and credit could ultimately impact the amount and timing of expected cash flows. The Company seeks to mitigate counterparty risk by having a diversified portfolio of counterparties. See Item 15 — Note 6, *Fair Value of Financial Instruments*, for more information about concentration of credit risk.

Item 8 — Financial Statements and Supplementary Data

The financial statements and schedules are listed in Part IV, Item 15 of this Form 10-K.

Item 9 — Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A — Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures and Internal Control Over Financial Reporting

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

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended December 31, 2023, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Inherent Limitations over Internal Controls

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with GAAP. The Company's internal control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with GAAP, and that the Company's receipts and expenditures are being made only in accordance with authorizations of its management and directors; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations, including the possibility of human error and circumvention by collusion or overriding of controls. Accordingly, even an effective internal control system may not prevent or detect material misstatements on a timely basis. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of the Company's management, including its principal executive officer, principal financial officer and principal accounting officer, the Company conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the Company's evaluation under the framework in *Internal Control — Integrated Framework (2013)*, the Company's management concluded that its internal control over financial reporting was effective as of December 31, 2023.

Item 9B — Other Information

During the three months ended December 31, 2023, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted, modified or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

PART III

Item 10 — Information about Directors, Executive Officers and Corporate Governance

The Company is a limited liability company that is managed by Clearway, Inc., as its sole managing member. As a limited liability company managed by Clearway, Inc., the Company does not have a board of directors. References herein to the Company's board of directors are references to the board of directors (the "Board") of Clearway, Inc. Pursuant to the Fourth Amended and Restated Limited Liability Company Agreement of the Company, Clearway, Inc. has appointed officers of the Company and designated certain of such officers as "Executive Officers." These executive officers are the same as the executive officers of Clearway, Inc.

The following table shows information for the Company's executive officers. Executive officers serve until their successors are duly appointed or elected.

Name	Age	Title
Christopher S. Sotos	52	President and Chief Executive Officer
Sarah Rubenstein	46	Executive Vice President, Chief Financial Officer
Kevin P. Malcarney	57	Executive Vice President, General Counsel and Corporate Secretary

Christopher S. Sotos has served as President and Chief Executive Officer since May 2016, and as a member of the Board of Clearway, Inc. since May 2013. Mr. Sotos had also served in various positions at NRG, including most recently as Executive Vice President-Strategy and Mergers and Acquisitions from February 2016 through May 2016 and Senior Vice President-Strategy and Mergers and Acquisitions from November 2012 through February 2016. In this role, he led NRG's corporate strategy, mergers and acquisitions, strategic alliances and other special projects for NRG. Previously, he served as NRG's Senior Vice President and Treasurer from March 2008 to September 2012, where he was responsible for all treasury functions, including raising capital, valuation, debt administration and cash management. Mr. Sotos also previously served as a director of FuelCell Energy, Inc. from September 2014 to April 2019. As President and Chief Executive Officer of the Company, Mr. Sotos provides the Board of Clearway, Inc. with management's perspective regarding the Company's day to day operations and overall strategic plan. Mr. Sotos also brings strong financial and accounting skills to the Board of Clearway, Inc.

Sarah Rubenstein has served as Executive Vice President and Chief Financial Officer of the Company since April 2023 and previously served as Senior Vice President and Chief Accounting Officer of the Company from January 2022 to March 2023 and as Vice President, Accounting and Controller from November 2020 through December 2021, where she was responsible for providing oversight of the Company's financial accounting and reporting functions. Ms. Rubenstein previously served as Assistant Controller of the Company from August 2018 through November 2020, where she was responsible for managing corporate accounting and financial reporting activities, and immediately prior to that, as Director of Accounting Research and Financial Reporting at NRG Energy, Inc. from August 2012 through August 2018. Ms. Rubenstein's prior roles include Director of Finance at EPV Solar, Inc. and Senior Director of Financial Reporting at Warner Music Group. Ms. Rubenstein began her career as an auditor with PricewaterhouseCoopers.

Kevin P. Malcarney has served as the Company's General Counsel and Corporate Secretary since May 11, 2018, and was promoted from Senior Vice President to Executive Vice President in January 2022. Mr. Malcarney served as Interim General Counsel of the Company from March 16, 2018 to May 11, 2018. Mr. Malcarney was previously Vice President and Deputy General Counsel and served in various other roles at NRG since September 2008. Prior to NRG, Mr. Malcarney worked at two major law firms in Princeton, New Jersey and Philadelphia, Pennsylvania, and handled mergers and acquisitions, project financing and general corporate matters.

Code of Ethics

The Company has not adopted a separate code of ethics because all of the officers of the Company are subject to the Code of Conduct adopted by the Board of Clearway, Inc. The Code of Conduct of Clearway, Inc. applies to all of its directors and employees, including its and the Company's officers (e.g., the Company's CEO, CFO, and Principal Accounting Officer). Clearway, Inc.'s Code of Conduct is available on its website, *www.clearwayenergy.com*.

Item 11 — Executive Compensation

Compensation Committee Report

The Company's named executive officers are also named executive officers of Clearway, Inc., and the compensation of the named executive officers disclosed herein reflects total compensation for services with respect to Clearway, Inc. and all of its subsidiaries, including the Company. The Compensation Committee of the Board of Clearway, Inc. (the "Compensation Committee") has reviewed and discussed the Compensation Discussion and Analysis included in this Annual Report on Form 10-K required by Item 402(b) of Regulation S-K with management and, based upon such review and discussion, the Compensation Committee has recommended to the Board that the Compensation Discussion and Analysis be included in this Annual Report on Form 10-K.

Compensation Committee:

E. Stanley O'Neal, Chair
Jonathan Bram
Brian R. Ford
Jennifer Lowry
Daniel B. More

Compensation Discussion and Analysis

Executive Summary

Executive Compensation Program

Clearway, Inc. is a publicly-traded energy infrastructure investor and owner of modern, sustainable and long-term contracted assets across North America. The Company is sponsored by GIP and TotalEnergies through the portfolio company, CEG, and, together, GIP and TotalEnergies indirectly hold all of Clearway, Inc.'s Class B common stock and Class D common stock and thus collectively have the majority voting interest in the Company. This Compensation Discussion and Analysis (this "CD&A") describes the philosophy, elements, implementation and results of Clearway, Inc.'s 2023 executive compensation program as it applies to the executive team. As discussed above, Clearway, Inc.'s named executive officers are also named executive officers of Clearway Energy LLC, and the compensation of the named executive officers ("NEOs") discussed below reflects total compensation for services with respect to Clearway, Inc. and all of its subsidiaries, including Clearway Energy LLC. In this CD&A, the term "Company," as well as the terms "our," "we," "us" or like terms, are used to refer to Clearway, Inc. and its consolidated subsidiaries, including Clearway Energy LLC and its consolidated subsidiaries.

The Compensation Committee's objectives are to design a simple, yet competitive, executive compensation program, which is aligned with the interests of our stockholders. This program is designed to align short-term and long-term compensation with the Company's annual performance and three-year total stockholder return ("TSR"), respectively. Our annual incentive program ("AIP") is primarily based on objective criteria that support the achievement of our short-term objectives, which we believe create long-term stockholder value. Our long-term incentives are comprised of 67% Relative Performance Stock Units ("RPSUs"), which vest based on relative TSR measured over three years and 33% Restricted Stock Units ("RSUs"), which vest based on continued service over three years. The program is intended to incorporate many best practices in compensation design, while being tailored to our business needs and compensation objectives.

In 2023, the Compensation Committee reviewed and did not modify its philosophy related to the compensation program. Thus, NEO compensation continued to be delivered through a mix of (i) base salary, (ii) an annual incentive bonus opportunity under the AIP and (iii) long-term incentive compensation under our Amended and Restated 2013 Equity Incentive Plan ("LTIP") in the form of RPSUs and RSUs.

At our 2023 Annual Meeting of Stockholders, we received approximately 98% support for our say on pay proposal. We believe these results demonstrate our stockholders support our pay practices and that our compensation program is aligned with their interests.

Key Governance Features of Our Executive Compensation Program

Our compensation program and practices incorporate several key governance features as highlighted in the table below.

What We Do:	What We Don't Do:
• Pay for performance by delivering a substantial majority of our President and CEO's compensation through equity	• No excise tax gross-ups on change-in-control payments and no tax gross-ups on perquisites or benefits
• The large majority of our equity compensation for Senior Vice Presidents and above is performance-based	• No pledging or hedging of the Company's stock by NEOs or directors
• Target our peer group median for total direct compensation	• No employment agreements for executive officers with the exception of our President and CEO
• Require a double trigger for the acceleration of equity vesting in connection with a change-in-control	• No guaranteed bonus payments for our NEOs
• Prevent undue risk taking in our compensation practices and engage in robust risk monitoring	• No supplemental executive retirement plans
• Include legally-required and Company-specific clawback policies in our compensation plans	• No re-pricing of underwater stock options and no stock option grants with an exercise price below 100% of fair market value
• Maintain robust stock ownership guidelines for our NEOs	
• Provide market-level retirement benefits and limited perquisites	
• Engage an independent compensation consultant to provide advice to the Compensation Committee with respect to our compensation program	
• Conduct an annual say on pay vote	

Business Strategy and Company Performance

The Company's primary business strategy is to focus on the acquisition and ownership of assets with predictable, long-term cash flows that allow the Company to increase the cash distributions paid to its unit holders over time without compromising the ongoing stability of the business. The Company's plan for executing this strategy includes the following key components: focusing on contracted renewable energy and conventional generation; growing our business through acquisitions of contracted operating assets primarily in North America; and maintaining sound financial practices to increase distributions to our unit holders.

The execution of the Company's business strategy produced the following results in 2023:

- Closed on the Drop Downs for the Victory Pass and Arica solar projects that are paired with energy storage, the Daggett 2 and Daggett 3 solar projects that are paired with energy storage, the Texas Solar Nova 1 solar project and the Rosamond Central BESS project
- Invested or committed approximately $160 million in new growth investments with CEG, including the commitments to acquire the Cedar Creek wind project, Texas Solar Nova 1 and 2 solar projects and the Daggett 2 solar project
- Acquired a membership interest in Rosie Central BESS and amended the financing agreement for the Rosamond Central solar project to facilitate and fund the construction of a BESS project that is co-located at the Rosamond Central solar facility
- Entered into an agreement with Clearway Renew to repower the Cedro Hill wind project for an expected investment of $36 million in net corporate capital and entered into a $254 million non-recourse debt facility related to the repowering
- Acquired 100% of the Class A membership interests in DGPV Fund 4 LLC and Alta X-XI TE HoldCo, LLC for an aggregate $13 million
- Signed a 400 MW resource adequacy contract for sixteen months at Marsh Landing and a 274 MW resource adequacy contract for seventeen months at El Segundo, resulting in both assets having at least 50% of capacity contracted in 2027

Such results were taken into account by the Compensation Committee in making determinations with respect to the compensation for our NEOs under the 2023 compensation program.

Executive Compensation Program

2023 Named Executive Officers

This CD&A describes the material components of our compensation program for our NEOs in 2023. For the year ending December 31, 2023, our NEOs included the following individuals:

NEO	2023 Title
Christopher S. Sotos	President and Chief Executive Officer
Sarah Rubenstein	Executive Vice President and Chief Financial Officer[1]
Kevin P. Malcarney	Executive Vice President, General Counsel and Corporate Secretary

[1] Ms. Rubenstein was appointed as Executive Vice President and Chief Financial Officer in April 2023 and previously served as Senior Vice President and Chief Accounting Officer of the Company.

Goals and Objectives of the Program

The Compensation Committee is responsible for the development and implementation of the Company's executive compensation program, subject to Board approval for equity awards to certain officers, and references to Compensation Committee actions described below should be read in a manner that contemplates the requisite Board approval, as applicable, is in effect (see "Board Committees—Compensation Committee" above). The intent of the program is to reward the achievement of the Company's annual goals and objectives while supporting the Company's long-term business strategy. The Compensation Committee is committed to aligning executives' compensation with performance. Our Compensation Committee has designed an executive compensation program that is intended to:

- closely align our executive compensation with stockholder value creation, avoiding plans that encourage executives to take excessive risk, while driving long-term value to stockholders;
- support the Company's long-term business strategy, while rewarding our executive team for their individual accomplishments with tailored individual executive compensation metrics and incentives; and
- provide a competitive compensation opportunity while aligning with market standards for compensation.

The Compensation Committee's objectives are achieved through the use of both short-term and long-term incentives. The Company currently targets total direct compensation at the median of our Compensation Peer Group (defined below), as described below under "Elements of Compensation."

The Compensation Process

Compensation Consultant

Pursuant to its charter, the Compensation Committee is authorized to engage, at the expense of the Company, a compensation consultant to provide independent advice, support and expertise to assist the Compensation Committee in overseeing and reviewing our overall executive compensation strategy, structure, policies and programs, and to assess whether our compensation structure establishes appropriate incentives for management and other key employees. Pay Governance has been the Compensation Committee's independent compensation consultant since August 2020, and Pay Governance has continued to serve in that capacity to the present date. Pay Governance worked with the Compensation Committee to formulate the design of the executive and director compensation programs for 2023. As part of its work with the Compensation Committee, Pay Governance provided reports to the Compensation Committee containing research, market data, survey information and information regarding trends and developments in executive and director compensation, and Pay Governance reported directly to the Compensation Committee. Neither Pay Governance, nor any of their affiliates provided any other services for us or any of our affiliates in 2023. In accordance with SEC rules and requirements, the Company has affirmatively determined that no conflicts of interest exist between the Company and Pay Governance (or any individuals working on the Company's account on behalf of Pay Governance).

Compensation Peer Group Analysis

The Compensation Committee, with support from its independent compensation consultant, identifies the most appropriate comparator group within relevant industries for purposes of benchmarking compensation. The Compensation Committee aims to compare our compensation program to a consistent peer group year-to-year but given the dynamic nature of our industry and the companies that constitute it, the Compensation Committee annually examines the peer group for appropriateness in terms of size, complexity, and industry. In connection with this annual review, the Compensation Committee reviewed the peer group identified for 2022 and adjusted it to remove Covanta Holding Corporation due to its acquisition and delisting, but otherwise maintained the same peer group for compensation benchmarking purposes in 2023 (the "Compensation Peer Group").

For these purposes, the Compensation Peer Group, comprised of similarly sized publicly owned energy and utility companies, is identified below:

Company	Ticker	Company	Ticker
Algonquin Power & Utilities Corp.	NYSE: AQN	MGE Energy, Inc.	NASDAQ: MGEE
Alliant Energy Corporation	NASDAQ: LNT	Northland Power Inc.	TSX: NPI
Atmos Energy Corporation	NYSE: ATO	NorthWestern Corporation	NYSE: NWE
Avista Corporation	NYSE: AVA	Ormat Technologies, Inc.	NYSE: ORA
Black Hills Corporation	NYSE: BKH	Portland General Electric Company	NYSE: POR
Equitrans Midstream Corporation	NYSE: ETRN	South Jersey Industries, Inc.	NYSE: SJI(1)
Genesis Energy, L.P.	NYSE: GEL	TransAltaCorporation	NYSE: TAC
Innergex Renewable Energy Inc.	TSX: INE		

(1) South Jersey Industries, Inc. was acquired by the Infrastructure Investments Fund in February 2023 and was delisted, but was included by Pay Governance as part of its 2023 compensation benchmarking analysis, and for that reason, South Jersey Industries, Inc. is included in the Compensation Peer Group for 2023 but will not be part of the Compensation Peer Group for 2024 or going forward.

For the purposes of determining appropriate NEO pay levels for 2023, the Compensation Committee reviewed NEO compensation from peers, where available and appropriate (e.g., based on an NEO's position and duties). To supplement this analysis, the Compensation Committee reviewed relevant third-party survey data and considered the recommendations of the CEO on NEO and employee compensation matters not involving the CEO. The Compensation Committee may accept or adjust such CEO recommendations at its discretion. The NEOs did not participate in Compensation Committee discussions regarding their own compensation.

Elements of Compensation

Our compensation program for our NEOs consists of fixed compensation (base salary), performance-based compensation (AIP bonus and RPSUs) and time-based compensation (RSUs). We use the median percentile of our Compensation Peer Group as a guidepost in establishing the targeted levels of total direct compensation (cash and equity) for our NEOs. We expect that, over time, targeted total direct compensation for our NEOs will continue to approximate the median of our Compensation Peer Group. Realized pay in a given year depends on the achievement of defined performance-based compensation metrics. While a portion of our NEOs' compensation is fixed, a significant percentage is at-risk and payable and/or realizable only if certain performance objectives are met.

Base Salary

Base salary compensates NEOs for their level of experience and position responsibilities and for the continued expectation of superior performance. Recommendations on increases to base salary take into account, among other factors, the NEO's individual performance, the general contributions of the NEO to overall corporate performance, the level of responsibility of the NEO with respect to his or her specific position, and the NEO's current base salary level compared to the market median. In lieu of an increase to Mr. Sotos' base salary, the Board increased Mr. Sotos' target LTIP award to recognize his performance, better align his total direct compensation with the market median, and cause a higher percentage of Mr. Sotos' compensation to be performance-based. Each of Ms. Rubenstein and Mr. Malcarney received a base salary increase in 2023 based on such executive's performance and peer group benchmarking. Ms. Rubenstein received a subsequent base salary increase in 2023 in connection with her appointment as Executive Vice President and Chief Financial Officer. The base salary for each NEO for fiscal year 2023 as of December 31, 2023 is set forth below:

Named Executive Officer	2023 Annualized Base Salary ($)[1]	Percentage Increase Over 2022 (%)[2]
Christopher S. Sotos	665,201	0%
Sarah Rubenstein[3]	385,000	18%
Kevin P. Malcarney	412,000	3%

[1] Actual 2023 base salary earnings are presented in the Summary Compensation Table.

[2] As compared to the December 31, 2022 annualized base salary.

[3] Ms. Rubenstein's base salary was increased from $325,000 to $340,000 in February 2023 to recognize her performance and to better align her total direct compensation with the market median. Ms. Rubenstein's base salary was subsequently increased from $340,000 to $385,000 in April 2023 in connection with her appointment as Executive Vice President and Chief Financial Officer. Ms. Rubenstein previously served as Senior Vice President and Chief Accounting Officer of the Company.

Annual Incentive Compensation

Overview

Annual incentive compensation awards (AIP bonuses) are made under our AIP. AIP bonuses represent short-term compensation designed to compensate NEOs for meeting annual Company goals and for their individual performance over the course of the year. The Compensation Committee establishes these annual Company goals after reviewing the Company's business strategy and other matters. As further discussed below, the annual goals for 2023 relate to: (a) CAFD and (b) key performance milestones. In addition, the overall bonus payout is negatively adjusted for any OSHA recordable injuries that occur during the year, and each NEO's individual performance may (negatively or positively) affect the bonus amount that he or she ultimately receives under our AIP. However, notwithstanding individual performance or the extent to which the Company goals are achieved, the Compensation Committee retains sole discretion under the AIP to reduce the amount of or eliminate any AIP bonuses that are otherwise payable under the AIP.

AIP bonus opportunities are expressed in terms of threshold, target and maximum bonus opportunities. Different percentages of each NEO's annual base salary relate to these threshold, target and maximum AIP bonus opportunities. However, in the event threshold performance for 2023 was not achieved with respect to one of the AIP performance metrics, no AIP bonuses would have been payable for that component for 2023.

The AIP provides NEOs (other than Mr. Sotos whose severance is governed by his amended and restated employment agreement) eligibility for a pro-rated target bonus payment for the year of a qualifying severance termination, based on the portion of the performance period that the NEO was employed.

2023 AIP Bonus Performance Criteria

The 2023 AIP bonus performance criteria applicable to all NEOs are based upon the two Company goals described above and adjusted, as discussed, based on OSHA recordable injuries and individual performance, as applicable. The table below sets forth the 2023 AIP performance criteria and weightings applicable to all NEOs, assuming the achievement of each goal at target.

Goal	Weight
CAFD[1]	40%
Key Performance Milestones	60%
Overall Funding	***100%***
OSHA Recordables (per recordable injury)	***-5%***
Individual Performance	***+/- 20%***

[1] A non-GAAP measure, CAFD is defined as adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) plus cash distributions/return of investment from unconsolidated affiliates, and subsequent release post-bankruptcy, cash receipts from notes receivable, cash distributions from noncontrolling interests, adjustments to reflect sales-type lease cash payments, less cash distributions to noncontrolling interests, maintenance capital expenditures, pro-rata Adjusted EBITDA from unconsolidated affiliates, cash interest paid, income taxes paid, principal amortization of indebtedness, changes in prepaid and accrued capacity payments, and adjusted for development expenses.

- CAFD. The Compensation Committee set the 2023 threshold, target and maximum CAFD performance metric at $360 million, $410 million and $460 million, respectively. For 2023, the CAFD goals and the achieved level are set forth in the chart below. Due to lower-than-expected merchant energy margin caused by milder than normal temperatures during the first half of 2023, the Company did not achieve threshold CAFD performance.

CAFD Threshold	CAFD Target	CAFD Maximum	CAFD Actual
$360 million	$410 million	$460 million	$342 million

- Key Performance Milestones. "Key performance milestones" performance metrics are established as a defined annual incentive category. The Compensation Committee establishes threshold, target and maximum levels of performance for this category based on the number of milestones achieved. For 2023, a total of five milestones were established relating to adherence to budget, CAFD per share goals, restructuring of Lighthouse Renewable Holdco LLC and Lighthouse Renewable Holdco 2 LLC, ratio of administrative costs to CAFD and natural gas strategic plan and execution. For 2023, threshold performance required the achievement of two out of the five milestones, target performance required the achievement of three out of the five milestones, and maximum performance required the achievement of all five milestones. Ultimately, target performance was attained with the achievement of three out of the five milestones in 2023.
- Individual Performance. As indicated above, an NEO's individual performance may (negatively or positively) affect his or her AIP bonus by up to 20% of such NEO's target award, although no AIP bonus payments can exceed 200% of the target award. Such individual performance is determined on a subjective basis based on the Compensation Committee's assessment of the NEO's contributions in supporting adherence to budget, support towards the achievement of key milestones, and other contributions towards the successful execution of the Company's business strategy. The Compensation Committee recommended, and the full Board approved, that an individual performance modifier of +20% be applied to the AIP bonus target award for each NEO's individual performance, including the completion of several key initiatives that position the Company for future long-term success, as described more fully above under "*Business Strategy and Company Performance*", despite a challenging environment attributable to a year of low renewable energy resource.

2023 Annual Incentive Bonus Opportunity

The threshold, target and maximum AIP bonus opportunities for NEOs for 2023, expressed as a percentage of base salary, were:

Named Executive Officer	Threshold (%)[1]	Target (%)[1]	Maximum (%)[1]	Target Amount ($)
Christopher S. Sotos	50	100	200	665,201
Sarah Rubenstein[2]	32.5	65	130	250,250
Kevin P. Malcarney	32.5	65	130	267,800

[1] This assumes that the CAFD performance metric and all other quantitative and qualitative goals, including the key milestones, are achieved at threshold, target and maximum levels, as applicable.

[2] Ms. Rubenstein's threshold, target and maximum AIP award opportunities were increased in February 2023 to recognize her performance and to better align her total direct compensation with the market median. Ms. Rubenstein's threshold, target and maximum AIP award opportunities were subsequently increased in April 2023 in connection with her appointment as Executive Vice President and Chief Financial Officer. Ms. Rubenstein previously served as Senior Vice President and Chief Accounting Officer of the Company.

2023 Annual Incentive Bonuses

As noted above, with respect to AIP bonuses for 2023, the CAFD target was $410 million and the key performance milestone target was achievement of three out of five key performance milestones.

For 2023, CAFD achievement was below threshold at approximately $342 million, three out of five key performance milestones were achieved, and there were no OSHA recordable injuries. Due to the achievement specified above, after taking into account the application of the individual performance modifier, 2023 AIP bonuses were paid at levels between threshold and target. If performance falls between threshold and target or target and maximum, the bonus opportunity will be determined on an interpolated basis. As a result, the CAFD metric and the key performance milestone metrics were respectively weighted at 0% and 100% of target.

The annual incentive bonuses paid to NEOs for 2023 were:

Named Executive Officer	Percentage of Annual Base Salary Achieved (%)	Individual Performance Modifier (+/- 20%)	Percentage of Target Achieved (%)	Annual Incentive Payment ($)
Christopher S. Sotos	80	20	80	532,161
Sarah Rubenstein[1]	52	20	80	200,200
Kevin P. Malcarney	52	20	80	214,240

[1] Ms. Rubenstein was appointed as Executive Vice President and Chief Financial Officer in April 2023. Ms. Rubenstein previously served as Senior Vice President and Chief Accounting Officer of the Company.

Long-Term Incentive Compensation

We believe that equity awards directly align our NEOs' interests with those of our stockholders. In 2023, the Compensation Committee granted our NEOs a combination of performance-based equity awards directly linked to long-term stockholder value creation and time-based equity awards which also represent a critical component of our long-term incentive compensation due to the retention aspects of the awards. To enhance our compensation program's focus on Company performance, the majority of these long-term incentive awards (67%) were performance-based (i.e., granted as RPSUs). The remainder of our long-term incentive awards (33%) were time-based (i.e., granted as RSUs which vest over three years). We believe that our AIP appropriately focuses our NEOs on shorter-term (one-year) financial metrics while our LTIP emphasizes long-term stockholder value creation (i.e., three-year TSR outperformance). For 2023, Mr. Sotos' target LTIP award was 350% of his base salary and Ms. Rubenstein and Mr. Malcarney's target LTIP awards were 125% of their respective base salaries. Mr. Sotos' target LTIP award increased from 315% in 2022 to 350% in 2023 to recognize his performance and better align his total direct compensation with the market median. Ms. Rubenstein and Mr. Malcarney's target LTIP awards remained unchanged from 2022. The above mix of long-term incentive compensation applied to all NEOs for 2023.

Relative Performance Stock Units

Each RPSU represents the potential to receive one share of Class C common stock, as adjusted, based on the Company's TSR performance ranked against the TSR performance of a comparator group of similar companies (the "Performance Peer Group") after the completion of a three-year performance period. Relative measures are designed to normalize for externalities, ensuring the program appropriately reflects management's impact on the Company's TSR by including peer companies that the Compensation Committee believes are similarly impacted by market conditions.

The payout of shares of Class C common stock at the end of the three-year performance period is based on the Company's TSR performance percentile rank compared with the TSR performance of the Performance Peer Group. To ensure a rigorous program design, the target-level payout (100% of shares granted) generally requires the Company to perform at the 50th percentile. However, to induce management to achieve greater than target level (i.e., 50th percentile) performance in a down market, in the event that the Company's TSR performance declines by more than 20% over the performance period, the target level payout (100% of shares granted) will require achievement of 60th percentile performance. The Compensation Committee believes that this increased performance requirement addresses the concern that a disproportionate award may be paid in the event that our relative performance is high, but absolute performance is low.

In the event relative performance is below the 25th percentile, the award is forfeited. In the event relative performance is between the 25th percentile and the 50th percentile (or the 60th percentile if our TSR performance declines by more than 20% over the performance period), payouts will be based on an interpolated calculation. In the event relative performance reaches the 50th percentile (or the 60th percentile as described above), 100% of the award will be paid. In the event relative performance is between the 50th percentile (or the 60th percentile as described above) and the 75th percentile, payouts will be based on an interpolated calculation. In the event that relative performance is at or above the 75th percentile, a maximum payout of 150% of the target will be paid with respect to RPSU awards granted in 2023. Based on the Company's TSR performance ranked against the TSR performance of the Performance Peer Group over the three-year performance period ending on December 31, 2023, the RPSUs granted in 2021 will vest on April 15, 2024 at 58% of target.

The table below illustrates the design of our RPSUs in 2023.

Performance Targets	**Performance Requirement**		**Payout Opportunity**
Maximum	75th percentile or above		150%
Target	Standard Target: 50th percentile	Modified Target: 60th percentile (less than −20% absolute TSR)	100%
Threshold	25th percentile		25%
Below Threshold	Below 25th percentile		0%

Restricted Stock Units

Each RSU represents the right to receive one share of our Class C common stock after the completion of the vesting period. The RSUs granted to the NEOs in 2023 vest ratably, meaning that one-third of the award vests each year on the anniversary of the grant date, over a three-year period.

Dividend Equivalent Rights (DERs)

In connection with awards of both RPSUs and RSUs, each NEO also receives DERs, which accrue with respect to the award to which they relate. Accrued DERs are credited as additional shares that will be subject to the vesting and payment terms of the corresponding award of the RPSUs or RSUs, as applicable. Accordingly, accrued DERs are paid at the same time the shares of Class C common stock underlying each award are delivered to the NEO, and accrued DERs are forfeited if, or to the extent that, the underlying award is forfeited.

Clawbacks

In 2023, the Compensation Committee adopted a "clawback" policy that is intended to comply with the requirements under the federal securities laws, including the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The policy requires the Company to seek recoupment of any cash or equity-based incentive compensation payment or award made or granted to any current or former executive officer of the Company during the three completed fiscal years immediately preceding the date on which the Company is required to prepare a restatement of its financial statements due to material noncompliance of the Company with any financial reporting requirement under the federal securities laws or similar revision of performance indicators on which cash or equity-based incentive compensation was based, if: (i) the payment or award was made or granted based wholly or in part upon the attainment of a Company financial reporting measure (including, without limitation, (a) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, (b) any measure that is derived wholly or in part from such measure and/or (c) any measure of stock price or total stockholder return); and (ii) a lower payment or award would have been made or granted to the executive officer based upon the restated financial results had there not been a restatement. In each such instance, the amount required to be returned, repaid, or forfeited will be the amount by which the executive officer's payment or award for the relevant period exceeded the lower payment or award that would have been made or granted based on the restated results. In addition to the above "Dodd-Frank" clawback policy, the Company has long maintained a separate clawback policy that the Compensation Committee may apply with regard to awards made under the AIP and LTIP in the case of a material financial restatement, including a restatement resulting from employee misconduct, or in the case of fraud, embezzlement or other serious misconduct that is materially detrimental to the Company. The Compensation Committee retains discretion regarding application of this separate policy. Each of the above policies is incremental to other remedies that are available to the Company. In addition to the above policies, if the Company is required to restate its earnings as a result of noncompliance with a financial reporting requirement due to misconduct, under the Sarbanes-Oxley Act of 2002 ("SOX"), the CEO and the CFO would also be subject to a "clawback," as required by SOX.

Benefits

All of our NEOs are eligible to participate in the same retirement, life insurance, health and welfare plans as other employees. To generally support more complicated financial planning and estate planning matters, NEOs are eligible for reimbursement of annual tax return preparation, tax advice, financial planning and estate planning expenses. Mr. Sotos is eligible for a maximum reimbursement of $12,000 per year and the remaining NEOs are eligible for a maximum reimbursement of $3,000 per year.

Potential Severance and Change-In-Control Benefits

Each NEO's RPSU and RSU award agreements under the LTIP provide for certain treatment in the event of such NEO's termination of employment under certain circumstances, including in connection with a change-in-control. Additionally, Mr. Sotos, pursuant to his amended and restated employment agreement (as described below), and the remaining NEOs, pursuant to the Company's Executive Change-in-Control and General Severance Plan (the "CIC Plan") as well as pursuant to the Compensation Committee's discretion under the AIP, are entitled to additional severance payments and benefits in the event of termination of employment under certain circumstances, including following a change-in-control.

We believe change-in-control arrangements are considered a market practice among many publicly held companies. Most often, these arrangements are utilized to encourage executives to remain with the company during periods of extreme job uncertainty and to ensure that any potential transaction is thoroughly and objectively evaluated. In order to enable a smooth transition during an interim period, change-in-control arrangements provide a defined level of security for the executive and the company, enabling a more seamless implementation of a particular merger, acquisition or asset sale or purchase, and subsequent integration. In addition, such agreements include restrictive covenants, such as non-compete, non-solicitation and confidentiality provisions that protect the interests of the Company.

For a more detailed discussion, including the quantification of potential payments, please see the section entitled "Severance and Change-in-Control" following the executive compensation tables below.

Other Matters

Stock Ownership Guidelines

The Compensation Committee and the Board require the CEO to hold Company stock with a value equal to 5.0 times his base salary until his separation from the Company. Executive Vice Presidents are required to hold Company stock with a value equal to 3.0 times their base salary until their separation from the Company. Senior Vice Presidents are required to hold Company stock with a value equal to 2.0 times their base salary until their separation from the Company. Personal holdings, vested awards and unvested RSUs count towards the ownership multiple. Although NEOs are not required to make purchases of our common stock to meet their target ownership multiple, NEOs are restricted from divesting any securities until such ownership multiples are attained, except in the event of hardship or to make a required tax payment, and they must maintain their ownership multiple after any such transactions. Once met, they must maintain their ownership multiple during their service. The current target stock ownership for NEOs as of January 31, 2024 is shown below. Mr. Sotos and Mr. Malcarney each met or exceeded his stock ownership guidelines as of January 31, 2024. Ms. Rubenstein's stock ownership guideline was increased from a 2.0 to 3.0 multiple in connection with her appointment as Executive Vice President and Chief Financial Officer in April 2023. Therefore, Ms. Rubenstein did not meet this increased stock ownership guideline as of January 31, 2024, and the above divestiture restrictions and related exceptions will apply to Ms. Rubenstein during periods in which, and to the extent that, the above guidelines are not met.

Named Executive Officer	Target Ownership Multiple	Actual Ownership Multiple
Christopher S. Sotos	5.0x	21.5x
Sarah Rubenstein[(1)]	3.0x	2.4x
Kevin P. Malcarney	3.0x	6.6x

[(1)] Ms. Rubenstein was appointed as Executive Vice President and Chief Financial Officer in April 2023. Ms. Rubenstein previously served as Senior Vice President and Chief Accounting Officer of the Company.

Tax and Accounting Considerations

Section 162(m) of the Internal Revenue Code (the "Code") precludes Clearway, Inc., as a public company, from taking a tax deduction for individual compensation to certain of our executive officers in excess of $1 million, subject to certain exemptions. Prior to 2018, the exemptions included an exclusion of performance-based compensation within the meaning of Section 162(m) of the Code ("Section 162(m)"). The Tax Cuts and Jobs Act, enacted in December 2017, however, amended Section 162(m) and eliminated the exclusion of performance-based compensation from the $1 million limit, subject to certain exemptions. The Compensation Committee believes tax deductibility of compensation is an important consideration and continues to consider the implications of legislative changes to Section 162(m). However, the Compensation Committee also believes that it is important to retain flexibility in designing compensation programs, and as a result, has not adopted a policy that any particular amount of compensation must be deductible to the Company under Section 162(m).

The Compensation Committee also takes into account tax consequences to NEOs in designing the various elements of our compensation program, such as designing the terms of awards to defer immediate income recognition under Section 409A of the Code. The Compensation Committee remains informed of, and takes into account, the accounting implications of its compensation programs. However, the Compensation Committee approves programs based on their total alignment with our strategy and long-term goals.

Compensation Tables

Summary Compensation Table

Fiscal Year Ended December 31, 2023

Name and Principal Position	Year	Salary ($)[1]	Bonus ($)	Stock Awards ($)[2]	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)[3]	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)[4]	Total ($)
Christopher S. Sotos	2023	665,201	—	2,244,752	—	532,161	—	16,885	3,458,999
President and Chief	2022	659,682	—	1,951,273	—	725,069	—	12,200	3,348,224
Executive Officer	2021	638,260	—	1,535,147	—	899,312	—	19,790	3,092,509
Sarah Rubenstein	2023	369,365	—	464,062	—	200,200	—	13,200	1,046,827
Senior Vice President and	2022	324,197	—	378,417	—	177,125	—	12,200	891,939
Chief Accounting Officer	2021	—	—	—	—	—	—	—	—
Kevin P. Malcarney	2023	410,154	—	496,605	—	214,240	—	16,200	1,137,199
Senior Vice President,	2022	398,461	—	465,703	—	283,400	—	12,850	1,160,414
General Counsel and Corporate Secretary	2021	323,991	—	348,772	—	274,368	—	12,550	959,681

[1] Reflects base salary earnings.

[2] Reflects the grant date fair value determined in accordance with the Financial Accounting Standards Board Accounting Standards Codification Topic 718, Comparison — Stock Compensation. Clearway, Inc. uses the Company's Class C common stock price on the date of grant as the fair value of the Company's RSUs. The fair value of RPSUs is estimated on the date of grant using a Monte Carlo simulation model. The number of RPSUs granted is based on the 10-day average closing price of Clearway, Inc.'s Class C common stock ending on the date of grant, which is intended to more closely reflect the compensation practices of the Compensation Peer Group companies. For RPSUs granted in 2023, if the maximum level of performance is achieved, the fair value will be approximately $2,214,738 for Mr. Sotos, $457,868 for Ms. Rubenstein and $489,941 for Mr. Malcarney.

[3] The amounts shown in this column represent the annual incentive bonuses paid to the NEOs. Further information regarding the annual incentive bonuses is included in the ''2023 Annual Incentive Bonuses'' section of this CD&A.

[4] The amounts provided in the All Other Compensation column represent the additional benefits payable by the Company and include insurance benefits; the employer match under the Company's 401(k) plan; financial counseling services up to $12,000 per year for Mr. Sotos and up to $3,000 per year for all other NEOs, not including the financial advisor's travel or out-of-pocket expenses; legal fees incurred by Mr. Sotos in 2021 in connection with reviewing and finalizing his amended and restated employment agreement; and when applicable, the Company's discretionary contribution to the 401(k) plan. The following table identifies the additional compensation for each NEO.

Name	Year	Financial Advisor Services ($)	401(k) Employer Matching Contribution ($)	Legal Fees ($)	PTO Supplemental Payout ($)	Total ($)
Christopher S. Sotos	2023	3,685	13,200	—	—	16,885
	2022	—	12,200	—	—	12,200
	2021	—	11,600	8,190	—	19,790
Sarah Rubenstein	2023	—	13,200	—	—	13,200
	2022	—	12,200	—	—	12,200
	2021	—	—	—	—	—
Kevin P. Malcarney	2023	3,000	13,200	—	—	16,200
	2022	650	12,200	—	—	12,850
	2021	950	11,600	—	—	12,550

Grants of Plan-Based Awards

Fiscal Year Ended December 31, 2023

Name	Award Type	Grant Date	Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards Threshold ($)[1]	Target ($)[2]	Maximum ($)[3]	Estimated Future Payouts Under Equity Incentive Plan Awards Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock and Option Awards ($)[4]
Christopher S. Sotos	AIP	—	—	332,601	665,201	1,330,402	—	—	—	—	—
	RPSU	4/15/2023	2/17/2023	—	—	—	12,395	49,580	74,370	—	1,476,492
	RSU	4/15/2023	2/17/2023	—	—	—	—	—	—	24,366	768,260
Sarah Rubenstein	AIP	—	—	125,125	250,250	500,500	—	—	—	—	—
	RPSU	4/15/2023	4/12/2023	—	—	—	2,563	10,250	15,375	—	305,245
	RSU	4/15/2023	4/12/2023	—	—	—	—	—	—	5,037	158,817
Kevin P. Malcarney	AIP	—	—	133,900	267,800	535,600	—	—	—	—	—
	RPSU	4/15/2023	2/17/2023	—	—	—	2,742	10,968	16,452	—	326,627
	RSU	4/15/2023	2/17/2023	—	—	—	—	—	—	5,391	169,978

[1] Threshold non-equity incentive plan awards include annual incentive plan threshold payments, as presented in the CD&A.

[2] Target non-equity incentive plan awards include annual incentive plan target payments, as presented in the CD&A.

[3] Maximum non-equity incentive plan awards include annual incentive plan maximum payments, as presented in the CD&A.

[4] Reflects the grant date fair value determined in accordance with the Financial Accounting Standards Board Accounting Standards Codification Topic 718, Comparison—Stock Compensation. The Company uses the Class C common stock price on the date of grant as the fair value of the Company's RSUs. The fair value of RPSUs is estimated on the date of grant using a Monte Carlo simulation model. The number of RPSUs granted is based on the 10-day average closing price of the Company's Class C common stock ending on the date of grant.

Outstanding Equity Awards at Fiscal Year End

Fiscal Year Ended December 31, 2023

Name	Option Awards: Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Stock Awards: Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares that Have Not Vested (#)[1]	Market Value of Unearned Shares that Have Not Vested ($)[1]
Christopher S. Sotos	—	—	—	—	47,847 [2]	1,312,443	142,034 [3]	3,895,993
Sarah Rubenstein	—	—	—	—	10,924 [4]	299,645	19,090 [5]	523,639
Kevin P. Malcarney	—	—	—	—	10,730 [6]	294,324	32,454 [7]	890,213

[1] Assumes achievement at target award level for 2021, 2022 and 2023 RPSU awards as discussed in the CD&A.

[2] This amount represents 21,595 RSUs and 1,907 DERs that will vest on April 15, 2024, 14,859 RSUs and 978 DERs that will vest on April 15, 2025, and 8,139 RSUs and 369 DERs that will vest on April 15, 2026.

[3] This amount represents 41,319 RPSUs and 5,694 DERs that will vest on April 15, 2024, 39,607 RPSUs and 3,586 DERs that will vest on April 15, 2025, and 49,580 RPSUs and 2,248 DERs that will vest on April 15, 2026.

[4] This amount represents 5,452 RSUs and 534 DERs that will vest on April 15, 2024, 2,985 RSUs and 194 DERs that will vest on April 15, 2025, and 1,683 RSUs and 76 DERs that will vest on April 15, 2026.

[5] This amount represents 7,681 RPSUs and 695 DERs that will vest on April 15, 2025, 10,250 RPSUs and 464 DERs that will vest on April 15, 2026.

[6] This amount represents 4,793 RSUs and 424 DERs that will vest on April 15, 2024, 3,405 RSUs and 226 DERs that will vest on April 15, 2025, and 1,801 RSUs and 81 DERs that will vest on April 15, 2026. Amounts do not include shares withheld for payment of taxes due to retirement eligibility.

[7] This amount represents 9,387 RPSUs and 1,293 DERs that will vest on April 15, 2024, 9,453 RPSUs and 856 DERs that will vest on April 15, 2025, and 10,968 RPSUs and 497 DERs that will vest on April 15, 2026.

Option Exercises and Stock Vested

Fiscal Year Ended December 31, 2023

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)[1]	Value Realized on Vesting ($)[2]
Christopher S. Sotos	—	—	121,861[3]	3,842,342
Sarah Rubenstein	—	—	7,531[4]	220,360
Kevin P. Malcarney	—	—	23,830[5]	751,455

[1] Includes shares and DERs that vested pursuant to underlying awards and converted to Class C common stock in 2023.

[2] The values are based on the April 14, 2023 Class C common stock closing share price of $31.53 for awards and DERs that vested on April 15, 2023, the November 2, 2023 Class C common stock closing share price of $22.77 for awards and DERs that vested on November 2, 2023. The values for retirement eligible NEOs are based on the Class C common stock closing share price on the dates the awards became eligible for continued vesting and shares and DERs were withheld to cover certain tax withholding obligations.

[3] Represents 9,358 RSUs, 85,188 RPSUs and 12,968 DERs that vested on April 15, 2023 pursuant to the stock compensation awards granted on April 15, 2020. Represents 6,738 RSUs and 596 DERs that vested on April 15, 2023 pursuant to the stock compensation award granted on April 15, 2021. Represents 6,723 RSUs and 290 DERs that vested on April 15, 2023 pursuant to the stock compensation award granted on April 15, 2022.

[4] Represents 1,348 RSUs and 184 DERs that vested on April 15, 2023 pursuant to the stock compensation award granted on April 15, 2020. Represents 1,711 RSUs and 248 DERs that vested on November 2, 2023 pursuant to the stock compensation award granted on November 2, 2020. Represents 2,463 RSUs and 217 DERs that vested on April 15, 2023 pursuant to the stock compensation award granted on April 15, 2021. Represents 1,304 RSUs and 56 DERs that vested on April 15, 2023 pursuant to the stock compensation award granted on April 15, 2022.

[5] Represents 1,784 RSUs, 16,241 RPSUs and 2,471 DERs that vested on April 15, 2023 pursuant to the stock compensation awards granted on April 15, 2020. Represents 1,390 RSUs and 122 DERs that vested on April 15, 2023 pursuant to the stock compensation award granted on April 15, 2021. Represents 1,604 RSUs and 69 DERs that vested on April 15, 2023 pursuant to the stock compensation award granted on April 15, 2022. Represents 143 shares and 6 DERs that were withheld to cover certain tax obligations in 2023 due to awards becoming eligible for continued vesting in the event of the NEO's retirement.

Employment Agreements

The Company has not entered into employment agreements with any executive officers other than Mr. Sotos.

On September 23, 2021, the Company and Mr. Sotos entered into an agreement amending and restating Mr. Sotos' employment agreement, dated as of May 6, 2016, as previously amended, pursuant to which Mr. Sotos continues to serve as the Company's President and CEO for a new term that began on September 23, 2021 (the "Effective Date"). Under this amended and restated employment agreement, the term of Mr. Sotos' employment will continue until the earlier of the date that his employment is terminated by either party or December 31, 2024; provided that such employment period will automatically renew on the same terms and conditions for additional one-year terms unless either party provides the other party with written notice of its election not to renew the then-current employment period at least 90 days before such period's expiration date. The amended and restated employment agreement originally entitled Mr. Sotos to an annual base salary of $629,330 for the period beginning on the Effective Date and ending on December 31, 2021. For each annual period thereafter, our Board will determine whether to increase Mr. Sotos' annual base salary. For the 2022 fiscal year, the Board increased Mr. Sotos' annual base salary to $665,201 and it remained unchanged for the 2023 fiscal year. The amended and restated employment agreement further provides that Mr. Sotos is eligible to receive an annual bonus at a target amount equal to 100% of base salary (i.e., AIP bonus), with it being understood that such percentage may be increased by the Company from time to time, in each case based on achievement of criteria determined by the Board with input from Mr. Sotos. The maximum award opportunity each year is 200% of the target amount. The amended and restated employment agreement further provides that Mr. Sotos is eligible to participate in the LTIP, on such terms as are set forth in the plan. Mr. Sotos' target LTIP award for the 2023 fiscal year was approximately 350% of base salary.

In addition to the compensation and benefits described above, as well as paid vacation and director and officer liability insurance, the amended and restated employment agreement provides that Mr. Sotos will receive the following:

- Reimbursement for annual tax return preparation expenses and tax advice and financial planning, up to a maximum of $12,000 per year;
- Eligibility to participate in the Company's retirement plans, health and welfare plans, and disability insurance plans under the same terms, and to the same extent, as other senior management of the Company; and
- Reimbursement for the costs of litigation or other disputes incurred in asserting any claims under the amended and restated employment agreement, unless the court finds in favor of the Company.

The amended and restated employment agreement also provided Mr. Sotos with a reimbursement for legal fees incurred in connection with reviewing and finalizing his amended and restated employment agreement, up to a maximum of $12,000.

The amended and restated employment agreement further entitles Mr. Sotos to certain severance payments and benefits in the event his employment terminates under certain circumstances. These severance payments and benefits are described and quantified under the section “Severance and Change-in-Control” below. In addition, under the amended and restated employment agreement, the Company has agreed to indemnify Mr. Sotos against any claims arising as a result of his position with the Company to the fullest extent permitted by the Company’s certificate of incorporation, bylaws or Board resolutions or, if greater, Delaware law.

The amended and restated employment agreement includes non-competition and non-solicitation restrictions on Mr. Sotos during the term of his employment and for one year after his termination of employment. The amended and restated employment agreement also includes confidentiality, indemnification obligations and intellectual property restrictions and an obligation for Mr. Sotos to cooperate with the Company in the event of any internal, administrative, regulatory, or judicial proceeding. The provisions of the amended and restated employment agreement may only be waived with the written consent of the Company and Mr. Sotos.

Severance and Change-In-Control

Each NEO’s RPSU and RSU award agreements under the LTIP provide for special treatment in the event of such NEO’s termination of employment under certain circumstances. Upon death or disability, an NEO’s RSUs and RPSUs will vest in full and the performance metrics with respect to the RPSUs will be deemed to be achieved at target levels. Upon retirement, an NEO’s RSUs and RPSUs will remain eligible for vesting pursuant to the award agreement as though the NEO was continuously employed by the Company throughout the relevant period; provided that retirement occurs more than 12 months following the applicable award’s grant date. Further, if an NEO’s employment is involuntarily terminated by the Company without “cause” (as defined in Mr. Sotos’ amended and restated employment agreement with respect to Mr. Sotos, and as defined in the LTIP with respect to the other NEOs) during the “Change in Control Period” (as defined below), (i) such NEO’s RSUs will vest in full immediately upon the later of such change in control or such termination of employment and (ii) the Compensation Committee will, pursuant to the terms and conditions of the LTIP and RPSU award agreement(s), determine the final amount payable to the NEO, if any, pursuant to his or her RPSUs. In general, no RPSU or RSU that is granted to an NEO provides for accelerated vesting upon any other involuntary termination. RSUs granted to Ms. Rubenstein prior to her promotion to Senior Vice President and Chief Accounting Officer in 2022 provide pro-rated vesting for certain involuntary terminations of service that occur in connection with certain significant business events.

The “Change in Control Period” is the period commencing six months immediately prior to, and ending 24 months immediately following, a “change in control” of the Company (as “change in control” is defined in Mr. Sotos’ amended and restated employment agreement with respect to Mr. Sotos, and in the LTIP with respect to the other NEOs).

In addition to the above described treatment of the equity awards, Mr. Sotos, pursuant to his amended and restated employment agreement, and the other NEOs, pursuant to the CIC Plan and in some cases, the AIP, are entitled to certain additional severance payments and benefits in the event of termination of employment under certain circumstances, including following a change-in-control.

Mr. Sotos’ Benefits

If Mr. Sotos’ employment is involuntarily terminated by the Company without cause (including by reason of the Company’s non-renewal of Mr. Sotos’ employment term under his employment agreement) or if he terminates his employment for good reason, subject to Mr. Sotos executing a release of claims, the Company agrees to provide Mr. Sotos with the following severance benefits:

- A lump sum payment equal to no less than 1.5 times Mr. Sotos’ annual base salary in effect at the time of Mr. Sotos’ termination of employment;
- A lump sum payment equal to the bonus that Mr. Sotos would have earned if his employment had not terminated (i.e., contingent on satisfaction of the performance goals applicable to such bonus) under the then-current bonus plan, which amount will be pro-rated based on the number of days during the year that he was employed by the Company and paid at the time annual bonus payments are generally made to the Company’s executive officers;
- Any unpaid bonus amount for the prior fiscal year to the extent not paid prior to the termination date; and

- Reimbursement of the portion of COBRA premiums based on the monthly premium cost that would have been paid by the Company immediately prior to Mr. Sotos' termination of employment for a period of 18 months after the date of termination, except that such coverage will be discontinued if Mr. Sotos becomes eligible for medical benefits from a subsequent employer or otherwise.

If Mr. Sotos' employment is involuntarily terminated by the Company without cause (including by reason of the Company's non-renewal of Mr. Sotos' employment term under his employment agreement) or if he terminates his employment for good reason within the six months immediately prior to, or the 24 months immediately following, a change in control of the Company (i.e., the Change in Control Period with respect to Mr. Sotos), in lieu of the severance benefits set forth above, the Company will provide Mr. Sotos with the following severance benefits:

- A lump sum payment of no less than three times the sum of (a) Mr. Sotos' base salary in effect at the time of Mr. Sotos' termination of employment, or if greater, at such time that is immediately prior to the change in control and (b) Mr. Sotos' target bonus opportunity under the then-current bonus plan for the year of termination;
- A lump sum payment equal to the target bonus opportunity under the then-current bonus plan, which amount will be pro-rated based on the number of days during the year that he was employed by the Company;
- Any unpaid bonus amount for the prior fiscal year to the extent not paid prior to the termination date; and
- Reimbursement of the portion of COBRA premiums based on the monthly premium cost that would have been paid by the Company immediately prior to Mr. Sotos' termination of employment for a period of 18 months after the date of termination, except that such coverage will be discontinued if Mr. Sotos becomes eligible for medical benefits from a subsequent employer or otherwise.

If Mr. Sotos' employment is terminated as a result of his death or disability, the Company agrees to pay him an amount equal to the target bonus opportunity for the year of termination, which amount will be pro-rated based on the number of days during the year that Mr. Sotos was employed by the Company. In addition, the Company will pay Mr. Sotos any unpaid bonus amount for the prior fiscal year to the extent not paid prior to the termination date.

If an excise tax under Section 4999 of the Code would be triggered by any payments under Mr. Sotos' amended and restated employment agreement or otherwise upon a change-in-control, the Company will reduce such payments so that no amounts are subject to Section 4999 of the Code, if such reduction would cause the amount to be retained by Mr. Sotos to be greater than if Mr. Sotos were required to pay such excise tax.

NEO Benefits

Eligible NEOs may receive a discretionary payment of the pro-rated target bonus under the AIP in the event of such NEO's termination of employment under certain circumstances, including upon his or her termination due to retirement or involuntary termination without cause. Such amount, if payable in the Compensation Committee's discretion, will be pro-rated based on the number of days during the year that he or she was employed by the Company. In addition, under the CIC Plan, in the event of involuntary termination without cause, eligible NEOs are entitled to a general severance benefit equal to 1.5 times base salary payable in a lump sum amount and reimbursement for COBRA benefits continuation cost for a period of 18 months.

The CIC Plan also provides a change-in-control benefit in the event that, within six months prior to, as well as 24 months following, a change-in-control, an eligible NEO's employment is either involuntarily terminated by the Company without cause or voluntarily terminated by such NEO for good reason. The change-in-control benefit for Mr. Malcarney consists of an amount equal to 2.99 times the sum of his base salary plus the annual target incentive for the year of termination. In connection with Ms. Rubenstein's appointment as Executive Vice President and Chief Financial Officer in April 2023, the change-in-control benefit for Ms. Rubenstein was increased to an amount equal to 2.99 times the sum of her base salary plus the annual target incentive for the year of termination (prior to such appointment such amount was equal to 2.0 times the sum of her base salary plus the annual target incentive for the year of termination). All such NEOs are also eligible for an amount equal to their target bonus for the year of termination, pro-rated for the number of days during the performance period that such NEO was employed by the Company and reimbursement for all or a portion of such NEO's COBRA benefits continuation cost for a period of 18 months, such that the NEO maintains the same coverage level and cost, on an after-tax basis, as in effect immediately prior to his or her termination of employment.

As a condition of receiving severance or change-in-control benefits, an eligible NEO must execute a release of claims and acknowledge the restrictive covenants in the CIC Plan. Such restrictive covenants include non-competition, non-solicitation and non-disparagement covenants applicable for one year after termination, confidentiality and intellectual property obligations. The provisions of the CIC Plan may only be waived by the written consent of the Compensation Committee and the applicable NEO.

If an excise tax under Section 4999 of the Code would be triggered for an eligible NEO by any payments under the CIC Plan or otherwise upon a change-in-control, the Company will reduce such payments so that no amounts are subject to Section 4999 of the Code, if such reduction would cause the amount to be retained by such NEO to be greater than if such NEO were required to pay such excise tax.

Definition of Change-In-Control, Etc.

In general, under Mr. Sotos' amended and restated employment agreement and the CIC Plan, a "change-in-control" occurs in the event: (a) any person or entity (with certain exceptions), becomes the direct or indirect beneficial owner of 50% or more of the Company's then-outstanding voting or common stock or obtains the power to, directly or indirectly, vote or cause to be voted 50% or more of the Company's capital stock entitled to vote in the election of directors, including by contract or through proxy, (b) directors serving on the Board as of a specified date cease to constitute at least a majority of the Board unless such directors are approved by a vote of at least a majority of the incumbent directors; provided that a person whose assumption of office is in connection with an actual or threatened election contest or actual or threatened solicitation of proxies including by reason of agreement intended to avoid or settle such contest shall not be considered to be an incumbent director, (c) any reorganization, merger, consolidation, sale of all or substantially all of the assets of the Company or other transaction is consummated unless the previous stockholders of the Company own more than 50% of the then-outstanding common stock and combined voting power of the company resulting from such change-in-control transaction, or (d) the stockholders approve a plan or proposal to liquidate or dissolve the Company.

An involuntary termination without "cause" means the NEO's termination by the Company for any reason other than the NEO's (a) conviction of, or agreement to a plea of nolo contendere to, a felony or other crime involving moral turpitude (including an indictment therefore under the CIC Plan), (b) willful failure to perform his or her duties (or in Mr. Sotos' case, his material duties pursuant to his amended and restated employment agreement), (c) willful gross neglect or willful misconduct (including a material act of theft, fraud, malfeasance or dishonesty in connection with his or her performance of duties under the CIC Plan), or (d) breach of any written agreement between the Company or NEO, a violation of the Company's Code of Conduct or other written policy (or in Mr. Sotos' case, a material breach of such a written agreement or material violation of the Company's Code of Conduct).

A voluntary termination for "good reason" means the resignation of the NEO in the event of (a) a reduction in his or her base salary or target total compensation by more than 15%, excluding across-the-board reductions to his or her base salary or annual bonus target, or if during the Change in Control Period, any reduction of base salary or target total compensation (without regard to whether the reduction applies on an across-the-board basis), (b) a material reduction in his or her benefits under or relative level of participation in the Company's employee benefit plans, (c) a material diminution in his or her title, authority, duties or responsibilities, (d) a relocation of his or her principal place of employment by more than 50 miles or (e) the failure of a successor to the Company to agree, in writing, to assume the CIC Plan, or in the case of Mr. Sotos, his amended and restated employment agreement, within 15 days after a merger, consolidation, sale or similar transaction. In Mr. Sotos' case only, "good reason" also includes (i) in lieu of the event described in the preceding subclause (a), a reduction in his base salary, annual bonus target, or target long-term incentive awards by more than 15%, excluding across-the-board reductions to his base salary, annual bonus target, and/or target long-term incentive awards, or if during the period that is within the six months immediately prior to, or 24 months immediately following a change in control of the Company, any reduction of base salary, annual bonus target, or target long-term incentive awards (without regard to whether the reduction applies on an across-the-board basis), (ii) any material failure by the Company to comply with his amended and restated employment agreement, (iii) his removal from the Board, (iv) the failure to elect him to the Board during any regular election, or (v) a change in reporting structure of the Company requiring Mr. Sotos to report to anyone other than the Board.

Potential Payments Upon Termination or Change-In-Control

The amount of compensation payable to each NEO in each circumstance is shown in the table below, assuming that termination of employment occurred as of December 31, 2023, and including payments that would have been earned as of such date. The amounts shown below do not include benefits payable under the Company's 401(k) plan.

Named Executive Officer	Involuntary Termination Not for Cause ($)	Voluntary Termination for Good Reason ($)	Involuntary Not for Cause or Voluntary for Good Reason Following a Change in Control ($)	Death or Disability ($)	Qualified Retirement
Christopher S. Sotos	1,681,905	1,681,905	9,883,885	5,873,777	—
Sarah Rubenstein[1]	914,986	—	3,005,407	1,073,620	—
Kevin P. Malcarney[2]	919,650	—	3,209,421	1,452,469	983,388

[1] Ms. Rubenstein was appointed as Executive Vice President and Chief Financial Officer in April 2023. Ms. Rubenstein previously served as Senior Vice President and Chief Accounting Officer of the Company.

[2] Mr. Malcarney met the definition of Qualified Retirement in 2022 and is therefore entitled to certain payments and vesting of awards in the event he retires before they vest.

CEO Pay Ratio

As a result of the rules under the Dodd-Frank Act, the SEC requires disclosure of the CEO to median employee pay ratio. The following is a reasonable estimate, prepared under applicable SEC rules, of the ratio of the annual total compensation of our CEO, Mr. Sotos, to the annual total compensation of our median employee.

In light of the sale of the Thermal Business in 2022, a new median employee was identified in 2022. With respect to the 2023 CEO Pay ratio analysis, we determined that we could use the same median employee that we identified in 2022 given that there had been no change in either our employee population or our employee compensation arrangements that we believe would significantly impact our 2023 pay ratio disclosure. Similarly, there has been no change in our median employee's circumstances that we reasonably believe would result in a significant change to our 2023 pay ratio disclosure. Our median employee's annual total compensation for 2023 was determined using the same rules that apply to reporting the compensation of our NEOs (including our CEO) in the "Total" column of the "Summary Compensation Table — 2021 — 2023" above. The following total compensation amounts were determined based on that methodology:

- The annual total compensation of the median employee for 2023 was $140,622.
- The annual total compensation of Mr. Sotos for 2023 was $3,458,999.
- As a result, we estimate that Mr. Sotos' 2023 annual total compensation was approximately 25 times that of our median employee.

Given the different methodologies, exemptions, estimates and assumptions that various public companies use to determine an estimate of their pay ratio, the estimated ratio reported above should not be solely used as a basis for comparison between companies.

Item 12 — Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Clearway Energy LLC Ownership

As of December 31, 2023, GIP and TotalEnergies, through CEG, owned 42,738,750 of the Company's Class B units and 42,336,750 of the Company's Class D units, and Clearway, Inc. owned 34,613,853 of the Company's Class A units and 82,391,441 of the Company's Class C units. As of December 31, 2023, Clearway, Inc., through its holdings of Class A units and Class C units, owned a 57.90% economic interest in the Company. Clearway, Inc. consolidates the results of the Company through its controlling interest as sole managing member. As of December 31, 2023, CEG, through its holdings of Class B units and Class D units, owned a 42.10% economic interest in the Company.

Clearway, Inc. Ownership

Stock Ownership of Executive Officers

The following table sets forth information concerning beneficial ownership of Clearway, Inc.'s Class A and Class C common stock and combined voting power of Class A, Class B, Class C and Class D common stock for: (a) each NEO and (b) all executive officers as a group. The percentage of beneficial ownership is based on 34,613,853 shares of Class A common stock outstanding as of January 31, 2024, and 82,391,441 shares of Class C common stock outstanding as of January 31, 2024, and percentage of combined voting power is based on 78,599,885 votes represented by Clearway, Inc.'s outstanding Class A, Class B, Class C and Class D common stock in the aggregate as of January 31, 2024. The percentage of beneficial ownership and the percentage of combined voting power also include any shares that such person has the right to acquire within 60 days of January 31, 2024. Unless otherwise indicated, each person has sole voting and dispositive power with respect to the shares set forth in the following table.

The address of the beneficial owners is Clearway, Inc., 300 Carnegie Center, Suite 300, Princeton, New Jersey 08540.

	Class A Common Stock		Class C Common Stock		Common Stock
Executive Officers	Number[1]	% of Class A Common Stock	Number[1]	% of Class C Common Stock	% of Combined Voting Power[2]
Christopher S. Sotos	31,100	*	332,616[3]	*	*
Sarah Rubenstein	380	*	22,995[4]	*	*
Kevin P. Malcarney	600	*	68,082[5]	*	*
All executive officers as a group (three people)	32,080	*	423,693[6]	*	*

* Less than one percent of outstanding Class A common stock, Class C common stock or combined voting power, as applicable.

[1] The number of shares beneficially owned by each person or entity is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, each person or entity is considered the beneficial owner of any: (a) shares to which such person or entity has sole or shared voting power or dispositive power and (b) shares that such person or entity has the right to acquire within 60 days.

[2] Represents the voting power of all of the classes of Clearway, Inc.'s common stock together as a single class. Each holder of Class A or Class B common stock is entitled to one vote for each share held. Each holder of Class C or Class D common stock is entitled to 1/100th of one vote for each share held. Holders of shares of Clearway, Inc.'s Class A, Class B, Class C and Class D common stock vote together as a single class on all matters presented to its stockholders for their vote or approval, except as otherwise provided by applicable law.

[3] Includes 5,228 DERs to be paid in Class C common stock. Excludes 22,998 RSUs, 7,184 DERs and 89,187 RPSUs. Each RSU represents the right to receive one share of Class C common stock upon vesting. Each RPSU represents the potential to receive Class C common stock based upon Clearway, Inc. achieving a certain level of total shareholder return relative to Clearway, Inc.'s peer group over a three-year performance period. Each DER represents the right to receive the dividends and distributions that would have otherwise been paid with respect to a share subject to a RSU or RPSU award (if such share were outstanding rather than being subject to the applicable award).

[4] Includes 535 DERs to be paid in Class C common stock. Excludes 4,668 RSUs, 1,431 DERs and 17,931 RPSUs. Each RSU represents the right to receive one share of Class C common stock upon vesting. Each RPSU represents the potential to receive Class C common stock based upon Clearway, Inc. achieving a certain level of total shareholder return relative to Clearway, Inc.'s peer group over a three-year performance period. Each DER represents the right to receive the dividends and distributions that would have otherwise been paid with respect to a share subject to a RSU or RPSU award (if such share were outstanding rather than being subject to the applicable award).

[5] Includes 1,037 DERs to be paid in Class C common stock. Excludes 5,063 RSUs, 1,805 DERs and 20,421 RPSUs. Each RSU represents the right to receive one share of Class C common stock upon vesting. Each RPSU represents the potential to receive Class C common stock based upon Clearway, Inc. achieving a certain level of total shareholder return relative to Clearway, Inc.'s peer group over a three-year performance period. Each DER represents the right to receive the dividends and distributions that would have otherwise been paid with respect to a share subject to a RSU or RPSU award (if such share were outstanding rather than being subject to the applicable award).

[6] Consists of the total holdings of all executive officers as a group.

Item 13 — Certain Relationships and Related Transactions, and Director Independence

Relationship with CEG and Clearway, Inc.

CEG owns all of Clearway, Inc.'s outstanding Class B common stock and Class D common stock, which represents, in the aggregate, 54.91% of the voting interest in Clearway, Inc.'s stock, and receives distributions from the Company through its ownership of the Company's Class B and Class D units. Holders of Clearway, Inc.'s Class A common stock and Class C common stock hold, in the aggregate, the remaining 45.09% of the voting interest in Clearway, Inc.'s stock. Each holder of Clearway, Inc.'s Class A or Class B common stock is entitled to one vote for each share held. Each holder of Clearway, Inc.'s Class C or Class D common stock is entitled to 1/100th of one vote for each share held. The holders of Clearway, Inc.'s outstanding shares of Class A and Class C common stock are entitled to dividends as declared. Clearway, Inc., through its holdings of the Company's Class A units and Class C units, owns a 57.90% economic interest in the Company. CEG, through its holdings of the Company's Class B units and Class D units, owns a 42.10% economic interest in the Company.

CEG Master Services Agreements

The Company is party to the CEG Master Services Agreements, pursuant to which CEG and certain of its affiliates or third-party service providers provide certain services to the Company, including operational and administrative services, which include human resources, information systems, cybersecurity, external affairs, accounting, procurement, and risk management services, and the Company provides certain services to CEG, including accounting, internal audit, tax and treasury services, in exchange for the payment of fees in respect of such services. For the year ended December 31, 2023, the Company paid approximately $4,840,000 under the CEG Master Services Agreements.

CEG Committed Investments

The assets listed below represent the Company's currently committed investments in projects with CEG:

Asset	Technology	Gross Capacity (MW)	State	Estimated COD
Cedar Creek	Wind	160	ID	1H24
Cedro Hill Repowering	Wind	160	TX	2H24
Texas Solar Nova 2 [(a)]	Solar	200	TX	1H24

[(a)] Included in a co-investment partnership.

Drop Down Transactions

Texas Solar Nova 1 Drop Down

On December 28, 2023, the Company, through its indirect subsidiary, Lighthouse Renewable Holdco 2 LLC, acquired TSN1 BL Borrower Holdco LLC, the indirect owner of Texas Solar Nova 1, a 252 MW solar project that is located in Kent County, Texas, from Clearway Renew for cash consideration of $23 million. Lighthouse Renewable Holdco 2 LLC is a partnership between the Company and a cash equity investor. TSN1 BL Borrower Holdco LLC consolidates as primary beneficiary, TSN1 TE Holdco LLC, a tax equity fund that owns the Texas Solar Nova 1 solar project.

In connection with the Texas Solar Nova 1 Drop Down, the Company assumed non-recourse project-level debt, which included a construction loan, sponsor equity bridge loan and tax equity bridge loan. At acquisition date, when the project reached substantial completion, the tax equity investor contributed $148 million, which was utilized, along with the Company's entire purchase price that was contributed back to the Company by CEG and the proceeds from the cash equity investor, to repay the $109 million sponsor equity bridge loan, to repay the $151 million tax equity bridge loan, to fund $18 million in construction completion reserves, and to pay $5 million in associated fees with the remaining $9 million distributed back to CEG.

Victory Pass and Arica Drop Down

On October 31, 2023, the Company, through its indirect subsidiary, VP-Arica Parent Holdco LLC, acquired the Class A membership interests in VP-Arica TargetCo LLC, a partnership and the indirect owner of Victory Pass, a 200 MW solar project that is paired with 50 MW of energy storage, and Arica, a 263 MW solar project that is paired with 136 MW of energy storage, which are both currently under construction in Riverside, California, from Clearway Renew for initial cash consideration of $46 million. VP-Arica TargetCo LLC consolidates as primary beneficiary, VP-Arica TE Holdco LLC, a tax equity fund that owns the Victory Pass and Arica solar projects.

In connection with the Victory Pass and Arica Drop Down, the Company assumed non-recourse project-level debt, which included a sponsor equity bridge loan and tax equity bridge loan. A partial payment of $133 million was made on the sponsor equity bridge loan at acquisition date utilizing all of the proceeds from the Company, which were contributed back to the Company by CEG, and the contribution from the cash equity investor.

Daggett 2 Drop Down

On August 30, 2023, the Company, through its indirect subsidiary, Daggett Solar Investment LLC, acquired the Class A membership interests in Daggett 2 TargetCo LLC, a partnership and the indirect owner of Daggett 2, a 182 MW solar project that is paired with 131 MW of energy storage and is located in San Bernardino, California, from CEG for cash consideration of $13 million. Daggett 2 TargetCo LLC consolidates as primary beneficiary, Daggett 2 TE Holdco LLC, a tax equity fund that owns the Daggett 2 solar project.

In connection with the Daggett 2 Drop Down, the Company assumed non-recourse project-level debt, which included a construction loan and tax equity bridge loan. On December 22, 2023, when the project reached substantial completion, the tax equity investor contributed an additional $202 million, which was utilized, along with the $120 million in escrow and $10 million in construction loan proceeds, to repay the $204 million tax equity bridge loan, to fund $36 million in construction completion reserves and to pay $1 million in associated fees with the remaining $91 million distributed to CEG.

Rosamond Central BESS Drop Down and Financing Activities

On June 30, 2023, the Company through its indirect subsidiary, Rosie Class B LLC, the indirect owner of the Rosamond Central solar project, became the owner of the Class B membership interests of Rosie Central BESS in order to facilitate and fund the construction of a 147 MW BESS project that is co-located at the Rosamond Central solar facility. Clearway Renew indirectly owns the Class A membership interests and controls Rosie Central BESS. As of December 31, 2023, the Company's investment consisted of $28 million contributed into Rosie Central BESS, funded through contributions from the Company and its cash equity investor in Rosie TargetCo LLC, which consolidates Rosie Class B LLC. On December 1, 2023, the Rosamond Central solar project acquired the BESS project from Clearway Renew for initial cash consideration of $70 million, $16 million of which was funded by the Company with the remaining $54 million funded through contributions from the cash equity investor in Rosie TargetCo LLC and the tax equity investor in Rosie TE HoldCo LLC.

Also, on July 3, 2023, Rosie Class B LLC, utilizing a portion of the proceeds from borrowings received under its refinanced debt facility, issued a loan to Clearway Renew in order to finance the construction of the BESS project. On December 1, 2023, Clearway Renew partially repaid the loan utilizing the $70 million in proceeds that was paid by the Company to acquire the BESS project. As of December 31, 2023, the loan issued to Clearway Renew had an aggregate principal amount of $174 million. The loan matures when the project reaches substantial completion, which is expected in the first half of 2024.

Daggett 3 Drop Down

On February 17, 2023, the Company, through its indirect subsidiary, Daggett Solar Investment LLC, acquired the Class A membership interests in Daggett TargetCo LLC, the indirect owner of Daggett 3, a 300 MW solar project that is paired with 149 MW of energy storage and located in San Bernardino, California, from Clearway Renew for cash consideration of $21 million. The Company then contributed its Class A membership interests into Daggett Renewable Holdco LLC, a partnership that consolidates Daggett TargetCo LLC. Daggett TargetCo LLC consolidates as primary beneficiary, Daggett TE Holdco LLC, a tax equity fund that owns the Daggett 3 solar project.

In connection with the Daggett 3 Drop Down, the Company assumed non-recourse project-level debt, which included a construction loan, sponsor equity bridge loan and tax equity bridge loan. The $75 million sponsor equity bridge loan was repaid at acquisition date, along with $8 million in associated fees, utilizing all of the proceeds from the Company, which were contributed back by CEG, and the contribution from the cash equity investor. On December 1, 2023, when the project reached substantial completion, the tax equity investor contributed an additional $252 million, which was utilized along with the $69 million in escrow, to repay the $229 million tax equity bridge loan, to fund $40 million in construction completion reserves, which is included in restricted cash on the Company's consolidated balance sheet, and to pay $7 million in associated fees with the remaining $45 million distributed to CEG.

During the year ended December 31, 2023, the Company also received $54 million from CEG to fund project costs, $22 million of which were incurred after the acquisition date. In October 2023, the $54 million funded by CEG was repaid, along with a distribution of $8 million, which was an estimate of the remaining project costs to be incurred prior to substantial completion.

Waiawa Drop Down

On October 3, 2022, the Company, through its indirect subsidiary, Lighthouse Renewable Holdco LLC, acquired Waiawa BL Borrower Holdco LLC, the indirect owner of the Waiawa solar project, a 36 MW solar project that is paired with 36 MW of energy storage and located in Honolulu, Hawaii, from Clearway Renew. In connection with the Waiawa Drop Down, the Company assumed the project's financing agreement, which included a construction loan, tax equity bridge loan and sponsor equity bridge loan.

On March 30, 2023, when the project reached substantial completion, the tax equity investor contributed an additional $41 million and CEG contributed an additional $8 million, which was utilized, along with the $17 million in escrow, to repay the $55 million tax equity bridge loan, to fund $10 million in construction completion reserves and to pay $1 million in associated fees.

Cedro Hill Repowering

On December 12, 2023, the Company entered into a financing agreement for non-recourse debt for a total commitment of $254 million, which consists of construction loans, a tax equity bridge loan and a sponsor equity bridge loan, related to the repowering of the Cedro Hill wind project. The Company's initial borrowing of $165 million was utilized to repay the $72 million of outstanding principal under the original financing agreement, to pay $55 million to Clearway Renew for the future delivery of equipment, to pay $27 million to a third party for the future delivery of equipment, to pay a $4 million development services fee to Clearway Renew, to pay for $4 million in debt issuance costs that were deferred and to pay for $3 million in capital expenditures.

Operations and Maintenance Agreements

CEG provides operations and maintenance ("O&M") and day-to-day operational support to the Company's utility scale solar and wind facilities in accordance with O&M agreements with the Company. Each of the counterparties to the O&M agreements is an affiliate of CEG. The O&M agreements for which the amount paid to CEG exceeded $120,000 during the year ended December 31, 2023 are described in the table below. Under these O&M agreements, the Company generally pays an annual or monthly fee, which may be subject to annual adjustment, plus any reimbursable expenses.

Project	Agreement Description	Approximate Amount Paid to CEG
Solar		
Agua Caliente	O&M Agreement, dated December 22, 2017	$4,412,000
Borrego	O&M Agreement, dated August 1, 2012	$544,000
Buckthorn Solar	O&M Agreement, dated May 22, 2017	$2,119,000
Chestnut Fund LLC	O&M Agreement, dated February 9, 2018	$1,425,000
Clearway & EFS Distributed Solar LLC	O&M Agreement, dated October 28, 2016	$222,000
CS4 Fund LLC	O&M Agreement, dated November 29, 2018	$659,000
CVSR	O&M Agreement, dated September 30, 2011	$4,288,000
Daggett 3	O&M Agreement, dated October 28, 2021	$1,168,000
DG CS Holdco LLC	O&M Agreement, dated November 2, 2020	$318,000
DGPV Fund 1 LLC	O&M Agreement, dated June 12, 2015	$247,000
DGPV Fund 2 LLC	O&M Agreement, dated September 4, 2015	$951,000
DGPV Fund 4 LLC	O&M Agreement, dated June 16, 2017	$1,313,000
Golden Puma Fund LLC	O&M Agreement, dated March 30, 2017	$745,000
Kansas South	O&M Agreement, dated June 13, 2017	$907,000
Lanikuhana Solar LLC	O&M Agreement, dated December 28, 2017	$755,000
Mililani I	O&M Agreement, dated May 28, 2021	$856,000
Rosamond Central	O&M Agreement, dated June 30, 2023	$1,941,000
Solar Blythe	O&M Agreement, dated November 1, 2017	$809,000
SPP Projects	O&M Agreement, dated October 31, 2017	$913,000
TA High Desert	O&M Agreement, dated June 9, 2017	$685,000
Utah Solar Portfolio	O&M Agreement, dated June 13, 2022	$3,029,000
Waiawa	O&M Agreement, dated May 28, 2021	$773,000
Waipio PV LLC	O&M Agreement, dated December 28, 2017	$1,098,000
Wind		
Alta Wind I	O&M Agreement, dated December 12, 2016	$1,871,000
Alta Wind II	O&M Agreement, dated December 12, 2016	$530,000
Alta Wind III	O&M Agreement, dated December 12, 2016	$654,000
Alta Wind IV	O&M Agreement, dated December 12, 2016	$484,000
Alta Wind V	O&M Agreement, dated December 12, 2016	$702,000
Alta Wind X	O&M Agreement, dated December 12, 2016	$2,252,000
Alta Wind XI	O&M Agreement, dated December 12, 2016	$1,544,000
Black Rock	O&M Agreement, dated December 30, 2020	$828,000
Broken Bow	O&M Agreement, dated Nov 6, 2017	$1,675,000
Buffalo Bear	O&M Agreement, dated May 1, 2016	$320,000
Cedro Hill	O&M Agreement, dated Nov 11, 2015	$3,468,000
Crofton Bluffs	O&M Agreement, dated February 13, 2012	$360,000
Elbow Creek	O&M Agreement, dated October 31, 2018	$1,499,000
Forward	O&M Agreement, dated October 20, 2016	$878,000
Goat Wind	O&M Agreement, dated February 18, 2008	$3,207,000
Langford	O&M Agreement, dated July 30, 2018	$2,818,000
Laredo Ridge	O&M Agreement, dated December 24, 2015	$1,613,000
Lookout	O&M Agreement, dated February 11, 2008	$1,269,000
Mesquite Sky	O&M Agreement, dated December 30, 2020	$1,133,000
Mesquite Star	O&M Agreement, dated May 7, 2019	$1,286,000
Mt. Storm	O&M Agreement, dated April 23, 2021	$1,038,000
Mountain Wind 1	O&M Agreement, dated September 17, 2016	$1,343,000
Mountain Wind 2	O&M Agreement, dated September 17, 2016	$1,922,000
Ocotillo	O&M Agreement, dated November 3, 2020	$2,293,000
Odin	O&M Agreement, dated September 16, 2016	$688,000
Pinnacle	O&M Agreement, dated December 1, 2016	$1,278,000
Rattlesnake	O&M Agreement, dated February 5, 2020	$1,608,000
Sleeping Bear	O&M Agreement, dated May 1, 2016	$2,454,000
South Trent	O&M Agreement, dated October 1, 2015	$2,023,000
Spanish Fork	O&M Agreement, dated September 16, 2016	$560,000
Taloga	O&M Agreement, dated July 1, 2016	$2,682,000
Wildorado	O&M Agreement, dated February 11, 2008	$2,298,000

Asset Management and Administrative Services Agreements

CEG provides day-to-day administrative support to certain of the Company's project-level entities in accordance with asset management and administrative services agreements (the "ASAs"). The ASAs for which the amount involved exceeded $120,000 during the year ended December 31, 2023 are described in the table below. Under these agreements, the Company generally pays an annual or monthly fee, which may be subject to annual adjustment, plus any reimbursable expenses.

Project	Agreement Description	Approximate Amount Paid to CEG
Solar		
Agua Caliente	Asset Management Agreement, dated January 18, 2012	$521,000
Alpine	Asset Management Agreement, dated March 15, 2012	$157,000
Buckthorn Solar	Asset Management Agreement, dated May 22, 2017	$175,000
Chestnut Fund LLC	Asset Management Agreement, dated July 31, 2017	$217,000
CS4 Fund LLC	Asset Management Agreement, dated November 29, 2018	$173,000
CVSR	Asset Management Agreement, dated April 26, 2016	$232,000
DG CS Holdco LLC	Asset Management Agreement, dated November 2, 2020	$1,821,000
Daggett 3	Project Administration Agreement dated October 28, 2021	$294,000
Mililani I	Project Administration Agreement, dated May 28, 2021	$156,000
Oahu Solar	Project Administration Agreement, dated December 28, 2017	$217,000
Rosamond Central	Project Administration Agreement, dated June 30, 2023	$256,000
SPP Projects	Asset Management Agreement, dated October 31, 2017	$442,000
Utah Solar Portfolio	Asset Management Agreement, dated December 1, 2021	$909,000
Waiawa	Project Administration Agreement, dated May 28, 2021	$132,000
Wind		
Black Rock	Project Administration Agreement, dated December 30, 2020	$260,000
Broken Bow	Amended and Restated Services Agreement, dated February 13, 2012	$251,000
Buffalo Bear	Amended and Restated Services Agreement, dated September 15, 2011	$175,000
Cedro Hill	Management and Administration Agreement, dated March 10, 2010	$188,000
Crofton Bluffs	Amended and Restated Services Agreement, dated February 13, 2012	$251,000
Elbow Creek	Project Administration Agreement, dated January 1, 2018	$264,000
Forward	Services Agreement, dated January 1, 2012	$223,000
Langford	Project Administration Agreement, dated April 24, 2020	$160,000
Laredo Ridge	Support Services Agreement, dated May 27, 2010	$180,000
Lighthouse Renewable Holdco LLC	Management Services Agreement, dated December 17, 2021	$217,000
Lookout	Services Agreement, dated January 1, 2012	$223,000
Mesquite Sky	Project Administration Agreement, dated December 30, 2020	$331,000
Mesquite Star	Services Agreement, dated May 7, 2019	$296,000
Mountain Wind 1	Amended and Restated Services Agreement, dated February 13, 2012	$231,000
Mountain Wind 2	Amended and Restated Services Agreement, dated February 13, 2012	$251,000
Mt. Storm	Project Administration Agreement, dated April 23, 2021	$217,000
Pinnacle	Amended and Restated Services Agreement, dated September 15, 2011	$231,000
Rattlesnake	Project Administration Agreement, dated February 5, 2020	$128,000
Sleeping Bear	Services Agreement, dated January 1, 2012	$223,000
South Trent	Project Administration Agreement, dated October 1, 2015	$174,000
Spanish Fork	Services Agreement, dated January 1, 2012	$223,000
Taloga	Services Agreement, dated November 20, 2012	$190,000
Viento Funding II, LLC	Management and Administration Agreement, dated July 1, 2013	$269,000
Wildorado	Project Administration Agreement, dated September 25, 2017	$270,000

Land Lease Agreements

The Company is party to various land lease agreements with CEG. The land lease agreements for which the amount involved exceeded $120,000 during the year ended December 31, 2023 are described in the table below. Under these agreements, the Company generally pays a quarterly or monthly fee, which may be subject to annual adjustment.

Project	Agreement Description	Approximate Amount Paid to CEG
Solar		
Daggett 2	Land Lease Agreement, dated October 27, 2021	$493,000
Daggett 3	Land Lease Agreement, dated December 18, 2020	$1,609,000
Mililani I	Land Lease Agreement, dated November 18, 2020	$796,000
Oahu Solar	Land Lease Agreement, dated September 19, 2019	$908,000
Rosamond Central	Land Lease Agreement, dated November 18, 2020	$566,000

Development Collaboration Agreement

On February 9, 2024, the Company entered into a Development Collaboration Agreement with Clearway Renew (the "Collaboration Agreement"), pursuant to which, among other things, the Company procures substitute RA capacity from Clearway Renew to meet the Company's contractual obligations to deliver RA capacity to various load-serving entities and to meet certain tariff requirements to provide RA capacity to cover planned outages. Under the Collaboration Agreement, certain subsidiaries of the Company that own and operate the Company's natural gas-fired generating assets purchase substitute RA capacity from certain subsidiaries of Clearway Renew that operate its BESS development projects (the "BESS Project Companies"), in each case pursuant to separate, five-year purchase agreements (the "RA Agreements"). In addition, pursuant to the Collaboration Agreement, Clearway Renew has offered the Company a right of first offer to acquire an ownership interest in the BESS Project Companies or certain of Clearway Renew's BESS facilities. Under the Collaboration Agreement and the RA Agreement, the Clearway Renew BESS Project Companies will post approximately $287,000 of security to the Company in 2024 to guarantee the financial obligations of the BESS Project Companies. The value of such security may increase in the future if certain milestones are met.

Other

During 2023, the Company paid approximately $3,683,000 to CEG, consisting primarily of reimbursements of insurance premiums and employee-related benefits that CEG paid on behalf of the Company. The Company also received $3,466,000 from CEG, consisting primarily of employee-related expenses that the Company paid on behalf of CEG.

During 2023, the Company also paid approximately $6,470,000 in annual property insurance premiums to TotalEnergies' captive insurance affiliate. The Company also paid approximately $449,000 to GIM as reimbursement for professional fees that GIM incurred on behalf of the Company.

Fourth Amended and Restated Limited Liability Company Agreement of Clearway Energy LLC

The following is a description of the material terms of Clearway Energy LLC's Fourth Amended and Restated Limited Liability Company Agreement (the "LLC Agreement"). For the year ended December 31, 2023, Clearway Energy LLC made approximately $180,354,000 in distributions to Clearway, Inc. (the holder of Class A and Class C units) and $131,169,000 to CEG (the holder of Class B and Class D units). In addition to the quarterly distributions, the Company distributed an additional $29,403,000 to Clearway, Inc. and $21,413,000 to CEG during the year ended December 31, 2023 in order for Clearway, Inc. to make certain additional tax payments associated with the sale of the Thermal Business.

Governance

Clearway, Inc. serves as the sole managing member of the Company. As such, Clearway, Inc. and effectively Clearway, Inc.'s Board, control the business and affairs of the Company and are responsible for the management of the business.

Voting and Economic Rights of Members

The Company has four classes of Units: Class A units, Class B units, Class C units and Class D units. Class A units and Class C units may be issued only to Clearway, Inc. as the sole managing member, and Class B units and Class D units may be issued only to CEG and held by CEG or its permitted transferees. Units of each of the four classes have equivalent economic and other rights, except that upon issuance, each holder of a Class B unit will also be issued a share of Clearway, Inc.'s Class B common stock, and each holder of a Class D unit will also be issued a share of Clearway, Inc.'s Class D common stock. Each Class B unit is exchangeable for a share of Clearway, Inc.'s Class A common stock and each Class D unit is exchangeable for a share of Clearway, Inc.'s Class D common stock, in each case subject to equitable adjustments for stock splits, dividends and reclassifications in accordance with the terms of the Exchange Agreement (as described below).

Net profits and net losses and distributions by the Company are allocated and made to holders of units in accordance with the respective number of membership units of the Company held. Generally, the Company will make distributions to holders of units for the purpose of funding tax obligations in respect of income of the Company that is allocated to the members of the Company.

Clearway, Inc.'s Coordination with Clearway Energy LLC

Any time Clearway, Inc. issues a share of Class A common stock or a share of Class C common stock for cash, the net proceeds therefrom will promptly be transferred to the Company, and the Company will either:

- transfer a newly issued Class A unit of the Company to Clearway, Inc. in the case of the issuance of a share of Class A common stock, or a newly issued Class C unit of the Company to Clearway, Inc. in the case of the issuance of a share of Class C common stock; or
- use the net proceeds to purchase a Class B unit of the Company from CEG in the case of the issuance of a share of Class A common stock, which Class B unit will automatically convert into a Class A unit of the Company when transferred to Clearway, Inc., or a Class D unit of the Company from CEG in the case of the issuance of a share of Class C common stock, which Class D unit will automatically convert into a Class C unit of the Company when transferred to Clearway, Inc.

If Clearway, Inc. elects to redeem any shares of their Class A common stock or Class C common stock for cash, the Company will, immediately prior to such redemption, redeem an equal number of Class A units or Class C units, as applicable, held by Clearway, Inc. upon the same terms and for the same price, as the shares of Class A common stock so redeemed.

Exchange Agreement

Clearway, Inc. is party to an Amended and Restated Exchange Agreement with CEG (the "Exchange Agreement"). Under the Exchange Agreement, CEG (and certain permitted assignees and permitted transferees who acquire Class B units or Class D units of the Company) may from time to time cause us to exchange their Class B units for shares of Clearway, Inc.'s Class A common stock on a one-for-one basis, subject to adjustments for stock splits, stock dividends and reclassifications, or exchange their Class D units for shares of Clearway, Inc.'s Class C common stock on a one-for-one basis, subject to equitable adjustments for stock splits, stock dividends and reclassifications.

When CEG or its permitted transferee exchanges a Class B unit of the Company for a share of Clearway, Inc.'s Class A common stock, Clearway, Inc. will automatically redeem and cancel a corresponding share of their Class B common stock and the Class B unit will automatically convert into a Class A unit when issued to Clearway, Inc.; similarly, when CEG or its permitted transferee exchanges a Class D unit of the Company for a share of Clearway, Inc.'s Class C common stock, Clearway, Inc. will automatically redeem and cancel a corresponding share of their Class D common stock and the Class D unit will automatically convert into a Class C unit when issued to Clearway, Inc. As a result, when a holder exchanges its Class B units for shares of Clearway, Inc.'s Class A common stock, or its Class D units for shares of Clearway, Inc.'s Class C common stock, Clearway, Inc.'s interest in the Company will be correspondingly increased.

Indemnification of Officers

Clearway, Inc. has entered into indemnification agreements with each of its executive officers. The indemnification agreements provide the executive officers with contractual rights to indemnification, expense advancement and reimbursement to the fullest extent permitted under Delaware law.

Registration Rights Agreement

Clearway, Inc. is party to an Amended and Restated Registration Rights Agreement with CEG (the "Registration Rights Agreement"). Under the Registration Rights Agreement, CEG and its affiliates are entitled to demand registration rights, including the right to demand that a shelf registration statement be filed, and "piggyback" registration rights, for shares of Clearway, Inc.'s Class A common stock that are issuable upon exchange of Class B units of the Company that CEG owns and shares of Clearway, Inc.'s Class C common stock that are issuable upon exchange of the Class D units of the Company that CEG owns.

Procedures for Review, Approval and Ratification of Related Person Transactions; Conflicts of Interest

The Company does not have a separate policy regarding related party transactions, as all of its officers are subject to the written Related Person Policy of Clearway, Inc., which provides that the Corporate Governance, Conflicts and Nominating Committee of Clearway, Inc.'s Board of Directors will periodically review all related person transactions that are required to be disclosed under SEC rules and, when appropriate, initially authorize or ratify all such transactions.

The Related Person Policy operates in conjunction with Clearway, Inc.'s Code of Conduct and is applicable to all "Related Person Transactions", which are all transactions, arrangements or relationships in which:

- the aggregate amount involved will or may be expected to exceed $50,000 in any calendar year;
- Clearway, Inc. is a participant; and
- any Related Person (as that term is defined below) has or will have a direct or indirect interest.

A "Related Person" is:

- any person who is, or at any time during the applicable period was, a director of the Company or a nominee for director or an executive officer;
- any person who is known to Clearway, Inc. to be the beneficial owner of more than 5% of any class of Clearway, Inc.'s voting stock;
- any immediate family member of any of the persons referenced in the preceding two bullets, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the director, nominee for director, executive officer or more than 5% beneficial owner of any class of Clearway, Inc.'s voting stock, and any person (other than a tenant or employee) sharing the household of such director, nominee for director, executive officer or more than 5% beneficial owner of any class of the Company's voting stock; and
- any firm, corporation or other entity in which any of the foregoing persons is a partner or principal or in a similar position or in which such person has a 10% or greater beneficial ownership interest.

In determining whether to recommend the initial approval or ratification of a Related Person Transaction, the Corporate Governance, Conflicts and Nominating Committee considers all of the relevant facts and circumstances available, including (if applicable) but not limited to: (a) whether there is an appropriate business justification for the transaction; (b) the benefits that accrue to us as a result of the transaction; (c) the terms available to unrelated third parties entering into similar transactions; (d) the impact of the transaction on director independence (in the event the related person is a director, an immediate family member of a director or an entity in which a director or an immediate family member of a director is a partner, stockholder, member or executive officer); (e) the availability of other sources for comparable products or services; (f) whether it is a single transaction or a series of ongoing, related transactions; and (g) whether entering into the transaction would be consistent with the Related Person Transaction Policy.

If the aggregate amount involved is expected to be less than $500,000, the transaction may be approved or ratified by the Chair of the Corporate Governance, Conflicts and Nominating Committee.

As part of its review of each Related Person Transaction, the Corporate Governance, Conflicts and Nominating Committee will take into account, among other factors it deems appropriate, whether the transaction is on terms no less favorable than the terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the Related Person's interest in the transaction. This Related Person Policy also provides that certain transactions, based on their nature and/or monetary amount, are deemed to be pre-approved or ratified by the Corporate Governance, Conflicts and Nominating Committee and do not require separate approval or ratification.

Transactions involving ongoing relationships with a Related Person will be reviewed and assessed at least annually by the Corporate Governance, Conflicts and Nominating Committee to ensure that such Related Person Transactions remain appropriate and in compliance with the Committee's guidelines.

The Committee's activities with respect to the review and approval or ratification of all Related Person Transactions are reported periodically to Clearway, Inc.'s Board of Directors. Any transaction between us and any Related Person, including CEG, will be subject to the prior review and approval of the Company's Corporate Governance, Conflicts and Nominating Committee.

Item 14 — Principal Accounting Fees and Services

Audit and Nonaudit Fees

The following table presents fees for professional services rendered by Ernst & Young LLP, the Company's principal independent registered public accounting firm:

	Year Ended December 31,	
	2023	2022
Audit Fees	$ 4,665,386	$ 4,484,400
Tax Fees	1,565,229	1,560,400
All Other Fees	10,000	6,560
Total	$ 6,240,615	$ 6,051,360

Audit Fees

For 2023 and 2022, Ernst & Young LLP billed the Company approximately $4,665,386 and $4,484,400, respectively, for the integrated audit of the Company's annual consolidated financial statements, internal control over financial reporting, and the review of the Company's quarterly consolidated financial statements on Form 10-Q that are customary under the standards of the Public Company Accounting Oversight Board (United States).

Audit-Related Fees

For 2023 and 2022, there were no audit-related fees billed to the Company by Ernst & Young LLP.

Tax Fees

For 2023 and 2022, Ernst & Young LLP billed the Company approximately $1,565,229 and $1,560,400, respectively, relating mainly to compliance work.

All Other Fees

For 2023 and 2022, Ernst & Young LLP billed the Company approximately $10,000 and $6,560, respectively, in other fees relating to online subscription fees.

Policy on Audit Committee Pre-approval

The Audit Committee of Clearway, Inc. is responsible for appointing, setting compensation for, and overseeing the work of the independent registered public accounting firm of the Company. The Audit Committee of Clearway, Inc. has established a policy regarding pre-approval of all audit and permissible nonaudit services provided by the independent registered public accounting firm of the Company.

The Audit Committee of Clearway, Inc. will annually review and pre-approve services that are expected to be provided by the independent registered public accounting firm. The term of the pre-approval will be 12 months from the date of the pre-approval, unless the Audit Committee of Clearway, Inc. approves a shorter time period. The Audit Committee may periodically amend and/or supplement the pre-approved services based on subsequent determinations.

Unless the Audit Committee of Clearway, Inc. has pre-approved Audit Services or a specified category of nonaudit services, any engagement to provide such services must be pre-approved by the Audit Committee of Clearway, Inc. if it is to be provided by the independent registered public accounting firm. The Audit Committee of Clearway, Inc. must also pre-approve any proposed services exceeding the pre-approved budgeted fee levels for a specified type of service.

The Audit Committee of Clearway, Inc. has authorized its Chair to pre-approve services in amounts up to $100,000 per engagement. Engagements exceeding $100,000 must be approved by the full Audit Committee of Clearway, Inc. Engagements pre-approved by the Chair are reported to the Audit Committee of Clearway, Inc. at its next scheduled meeting. The Audit Committee of Clearway, Inc. approved all of the audit-related fees, tax fees and all other fees disclosed above.

PART IV

Item 15 — Exhibits, Financial Statement Schedules

(a)(1) Financial Statements

The following consolidated financial statements of Clearway Energy LLC and related notes thereto, together with the Report of Independent Registered Public Accounting Firm of Ernst & Young LLP (PCAOB ID: 42) thereon, are included herein:

Consolidated Statements of Income — Years ended December 31, 2023, 2022 and 2021

Consolidated Statements of Comprehensive Income — Years ended December 31, 2023, 2022 and 2021

Consolidated Balance Sheets — As of December 31, 2023 and 2022

Consolidated Statements of Cash Flows — Years ended December 31, 2023, 2022 and 2021

Consolidated Statements of Members' Equity — Years ended December 31, 2023, 2022 and 2021

Notes to Consolidated Financial Statements

(a)(2) Financial Statement Schedules

The following schedules of Clearway Energy LLC are filed as part of Item 15 of this report and should be read in conjunction with the Consolidated Financial Statements:

Schedule I — Clearway Energy LLC (Parent) Condensed Financial Statements for the years ended December 31, 2023, 2022 and 2021, are included in Clearway Energy LLC's Annual Report on Form 10-K pursuant to the requirements of Rule 5-04(c) of Regulation S-X

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore, have been omitted

(a)(3) Exhibits: See Exhibit Index submitted as a separate section of this report

(b) Exhibits

See Exhibit Index submitted as a separate section of this report

(c) Not applicable

Report of Independent Registered Public Accounting Firm

To the Members of Clearway Energy LLC:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Clearway Energy LLC (the Company) as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, members' equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedules listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

	Allocation of earnings to noncontrolling interests in tax equity arrangements
Description of the Matter	As described in Note 5 to the consolidated financial statements, during 2023, tax equity investors purchased noncontrolling interests in Daggett TE Holdco LLC, Daggett 2 TE Holdco LLC, VP-Arica TE Holdco LLC and TSN1 TE Holdco LLC (the "new tax equity arrangements"). Each tax equity investor received Class A membership interests in the respective entity. The Company utilizes the output of a hypothetical liquidation at book value (HLBV) model to determine the earnings allocated to the tax equity noncontrolling interest holders as the contractual agreements between the parties represent substantive profit-sharing arrangements. Auditing the allocation of earnings using the HLBV method to the new tax equity arrangements was complex due to the judgments required at the inception of the arrangement to evaluate whether the HLBV model appropriately reflects the unique substantive profit-sharing terms and features within each arrangement. A greater extent of audit effort and specialized skill and knowledge was required with respect to evaluating the appropriateness of the tax capital account balances used in the HLBV model for compliance with the provisions of the Internal Revenue Code, as well as compliance with the contractual provisions in each agreement.

How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of the control over the Company's process for establishing the HLBV model for the new tax equity arrangements. For example, we tested a control over management's review of the substantive profit-sharing terms and features within each arrangement and evaluated whether they are properly reflected in each HLBV model. To test the allocation of earnings to noncontrolling interest holders in the new tax equity arrangements, we read the related agreements to understand the business purpose and the substantive profit-sharing provisions. We evaluated each HLBV model for consistency with the contractual provisions in the related agreements and tested the initial recognition of the noncontrolling interest balance by agreeing capital contributions to supporting documentation. We involved tax subject matter professionals to assist in evaluating the calculation of the tax capital accounts used in each HLBV model for compliance with the provisions of the Internal Revenue Code, as well as compliance with the contractual provisions in the agreements. Additionally, we tested the year end noncontrolling interest balances for the new tax equity arrangements by agreeing contributions and distributions to supporting documentation and recalculating the allocation of earnings reflected in each HLBV model.
	Fair value of Level 3 long-term power commodity contracts
Description of the Matter	As described in Note 6 to the consolidated financial statements, as of December 31, 2023, the aggregate fair value of long-term power commodity contracts classified as Level 3 derivative instruments was $325 million. The Company's determination of the fair value of long-term power commodity contracts executed in illiquid markets are considered Level 3 fair value measurements as they contain significant unobservable inputs, including forward market energy pricing curves. The Company uses a discounted cash flow valuation technique to determine the fair value of its long-term power commodity contracts. Auditing the fair value measurement of long-term power commodity contracts classified as Level 3 financial instruments was complex due to the judgmental nature of the forward market energy pricing curve assumptions used as an input into the valuation models.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's processes for reviewing the key assumptions in estimating Level 3 fair values related to long-term power commodity contracts. For example, we tested controls over management's review of the specific forward market energy pricing curves used as an input into the valuation models. To test the fair value of Level 3 long-term power commodity contracts, our audit procedures included, among others, evaluating the valuation methodologies used by the Company and testing significant inputs, estimates and the mathematical accuracy of the calculations. In certain instances, with the assistance of our valuation specialists, we independently determined the significant assumptions, calculated the resultant fair values and compared them to the Company's estimates. We obtained forward market energy prices from independent sources, including pricing service providers and counterparty fair values, and evaluated the Company's assumptions related to their forward curves and confirmed key inputs with counterparties. We also performed sensitivity analyses using independent sources of market data to evaluate the significance of the change in fair value of Level 3 long-term power commodity contracts that would result from changes in underlying assumptions.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2021.

Philadelphia, Pennsylvania
February 22, 2024

CLEARWAY ENERGY LLC

CONSOLIDATED STATEMENTS OF INCOME

(In millions)	Year ended December 31, 2023	2022	2021
Operating Revenues			
Total operating revenues	$ 1,314	$ 1,190	$ 1,286
Operating Costs and Expenses			
Cost of operations, exclusive of depreciation, amortization and accretion shown separately below	473	435	451
Depreciation, amortization and accretion	526	512	509
Impairment losses	12	16	6
General and administrative	35	38	38
Transaction and integration costs	4	7	7
Development costs	—	2	6
Total operating costs and expenses	1,050	1,010	1,017
Gain on sale of business	—	1,292	—
Operating Income	264	1,472	269
Other Income (Expense)			
Equity in earnings of unconsolidated affiliates	12	29	32
Other income, net	52	17	3
Loss on debt extinguishment	(6)	(2)	(53)
Interest expense	(337)	(232)	(312)
Total other expense, net	(279)	(188)	(330)
(Loss) Income Before Income Taxes	(15)	1,284	(61)
Income tax (benefit) expense	(2)	2	2
Net Income (Loss)	(13)	1,282	(63)
Less: Net loss attributable to noncontrolling interests and redeemable noncontrolling interests	(162)	(106)	(173)
Net Income Attributable to Clearway Energy LLC	$ 149	$ 1,388	$ 110

See accompanying notes to consolidated financial statements.

CLEARWAY ENERGY LLC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions)	Year ended December 31, 2023	2022	2021
Net Income (Loss)	$ (13)	$ 1,282	$ (63)
Other Comprehensive (Loss) Income			
Unrealized (loss) gain on derivatives and changes in accumulated OCI/OCL	(7)	33	22
Other comprehensive (loss) income	(7)	33	22
Comprehensive (Loss) Income	(20)	1,315	(41)
Less: Comprehensive loss attributable to noncontrolling interests and redeemable noncontrolling interests	(163)	(100)	(171)
Comprehensive Income Attributable to Clearway Energy LLC	$ 143	$ 1,415	$ 130

See accompanying notes to consolidated financial statements.

CLEARWAY ENERGY LLC

CONSOLIDATED BALANCE SHEETS

(In millions)	December 31, 2023	December 31, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 535	$ 657
Restricted cash	516	339
Accounts receivable — trade	171	153
Inventory	55	47
Derivative instruments	41	26
Note receivable — affiliate	174	—
Prepayments and other current assets	55	54
Total current assets	1,547	1,276
Property, plant and equipment, net	9,526	7,421
Other Assets		
Equity investments in affiliates	360	364
Intangible assets for power purchase agreements, net	2,303	2,488
Other intangible assets, net	71	77
Derivative instruments	82	63
Right-of-use assets, net	597	527
Other non-current assets	202	96
Total other assets	3,615	3,615
Total Assets	$ 14,688	$ 12,312
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Current portion of long-term debt — external	$ 558	$ 322
Current portion of long-term debt — affiliate	1	2
Accounts payable — trade	130	55
Accounts payable — affiliates	35	24
Derivative instruments	51	50
Accrued interest expense	57	54
Accrued expenses and other current liabilities	79	95
Total current liabilities	911	602
Other Liabilities		
Long-term debt — external	7,479	6,491
Deferred income taxes	2	4
Derivative instruments	281	303
Long-term lease liabilities	627	548
Other non-current liabilities	282	197
Total other liabilities	8,671	7,543
Total Liabilities	9,582	8,145
Redeemable noncontrolling interest in subsidiaries	1	7
Commitments and Contingencies		
Members' Equity		
Contributed capital	1,299	1,308
Retained earnings	1,027	1,240
Accumulated other comprehensive income	15	21
Noncontrolling interest	2,764	1,591
Total Members' Equity	5,105	4,160
Total Liabilities and Members' Equity	$ 14,688	$ 12,312

See accompanying notes to consolidated financial statements.

CLEARWAY ENERGY LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2023	2022	2021
Cash Flows from Operating Activities		(In millions)	
Net income (loss)	$ (13)	$ 1,282	$ (63)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Equity in earnings of unconsolidated affiliates	(12)	(29)	(32)
Distributions from unconsolidated affiliates	30	37	38
Depreciation, amortization and accretion	526	512	509
Amortization of financing costs and debt discounts	13	14	14
Amortization of intangibles	185	172	146
Loss on debt extinguishment	6	2	53
Reduction in carrying amount of right-of-use assets	15	14	11
Gain on sale of business	—	(1,292)	—
Impairment losses	12	16	6
Change in deferred income taxes	(2)	2	2
Changes in derivative instruments and amortization of accumulated OCI/OCL	(2)	69	28
Cash (used in) provided by changes in other working capital			
Changes in prepaid and accrued liabilities for tolling agreements	(32)	10	5
Changes in other working capital	7	(12)	(16)
Net Cash Provided by Operating Activities	733	797	701
Cash Flows from Investing Activities			
Acquisitions, net of cash acquired	—	—	(533)
Acquisition of Drop Down Assets, net of cash acquired	(45)	(71)	(229)
Acquisition of Capistrano Wind Portfolio, net of cash acquired	—	(223)	—
Capital expenditures	(212)	(112)	(151)
Payment for equipment deposit	(27)	—	—
Payment for equipment deposit and asset purchase from affiliate	(55)	—	(21)
Return of investments from unconsolidated affiliates	14	13	47
Increase in note receivable — affiliate	(174)	—	—
Investments in unconsolidated affiliates	(28)	—	—
Proceeds from sale of business	—	1,457	—
Other	4	1	22
Net Cash (Used in) Provided by Investing Activities	(523)	1,065	(865)
Cash Flows from Financing Activities			
Contributions from noncontrolling interests, net of distributions	1,120	47	680
Contributions from CEG, net of distributions	(92)	13	287
Payments of distributions	(311)	(289)	(268)
Distributions to CEG of escrowed amounts	—	(64)	—
Tax-related distributions	(51)	(19)	—
Buyout of noncontrolling interest and redeemable noncontrolling interest	(13)	—	—
Proceeds from the revolving credit facility	—	80	622
Payments for the revolving credit facility	—	(325)	(377)
Proceeds from issuance of long-term debt — external	563	244	1,728
Proceeds from issuance of long-term debt — affiliate	—	4	2
Payments of debt issuance costs	(18)	(4)	(20)
Payments for long-term debt — external	(1,349)	(1,198)	(2,292)
Payments for long-term debt — affiliate	(1)	(3)	(2)
Other	(3)	(6)	7
Net Cash (Used in) Provided by Financing Activities	(155)	(1,520)	367
Reclassification of Cash to Assets Held-for-Sale	—	—	(14)
Net Increase in Cash, Cash Equivalents and Restricted Cash	55	342	189
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	996	654	465
Cash, Cash Equivalents and Restricted Cash at End of Period	$ 1,051	$ 996	$ 654
Supplemental Disclosures:			
Interest paid, net of amount capitalized	$ (304)	$ (317)	$ (337)
Non-cash investing and financing activities:			
Non-cash distributions to noncontrolling interests	(7)	—	—
Non-cash (distributions to), contributions from CEG	—	(4)	31
Non-cash contributions from Clearway, Inc.	13	—	—

See accompanying notes to consolidated financial statements.

CLEARWAY ENERGY LLC
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

(In millions)	Contributed Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interest	Total Members' Equity
Balances at December 31, 2020	$ 1,723	$ (50)	$ (33)	$ 972	$ 2,612
Net income (loss)	—	110	—	(176)	(66)
Unrealized gain on derivatives and changes in accumulated OCL	—	—	20	2	22
Contributions from CEG, net of distributions, non-cash	2	—	—	29	31
Contributions from CEG, net of distributions, cash	287	—	—	9	296
Contributions from noncontrolling interests, net of distributions, cash	—	—	—	676	676
Distributions paid to CEG on Class B and Class D unit holders	(96)	(17)	—	—	(113)
Distributions paid to Clearway, Inc.	(155)	—	—	—	(155)
Lighthouse Partnership Yield Protection Agreement Amendment	15	—	—	—	15
Agua Caliente Acquisition	—	—	—	273	273
Transfer of assets under common control	(281)	—	—	(93)	(374)
Balances at December 31, 2021	1,495	43	(13)	1,692	3,217
Net income (loss)	—	1,388	—	(117)	1,271
Unrealized gain on derivatives and changes in accumulated OCL	—	—	27	6	33
(Distributions to) contributions from CEG, non-cash	(18)	—	—	14	(4)
Contributions from (distributions to) CEG, cash	48	—	—	(32)	16
Contributions from noncontrolling interests, cash	—	—	—	51	51
Transfer of assets under common control	(84)	—	—	26	(58)
Capistrano Wind Portfolio Acquisition	4	—	7	—	11
Kawailoa Sale to Clearway Renew	(20)	—	—	(49)	(69)
Tax-related distributions	—	(19)	—	—	(19)
Distributions paid to Clearway, Inc.	(82)	(85)	—	—	(167)
Distributions paid to CEG Class B and Class D unit holders	(35)	(87)	—	—	(122)
Balances at December 31, 2022	1,308	1,240	21	1,591	4,160
Net income (loss)	—	149	—	(179)	(30)
Unrealized loss on derivatives and changes in accumulated OCI	—	—	(6)	(1)	(7)
Distributions to CEG, cash	(78)	—	—	—	(78)
Contributions from noncontrolling interests, net of distributions, cash	—	—	—	1,123	1,123
Distributions to noncontrolling interests, non-cash	—	—	—	(7)	(7)
Contributions from Clearway, Inc., non-cash	13	—	—	—	13
Tax-related distributions	—	(51)	—	—	(51)
Transfer of assets under common control	12	—	—	274	286
Buyout of noncontrolling interest	27	—	—	(37)	(10)
Buyout of redeemable noncontrolling interest	17	—	—	—	17
Distributions paid to Clearway, Inc.	—	(180)	—	—	(180)
Distributions paid to CEG Class B and Class D unit holders	—	(131)	—	—	(131)
Balances at December 31, 2023	$ 1,299	$ 1,027	$ 15	$ 2,764	$ 5,105

See accompanying notes to consolidated financial statements.

Note 1 — Nature of Business

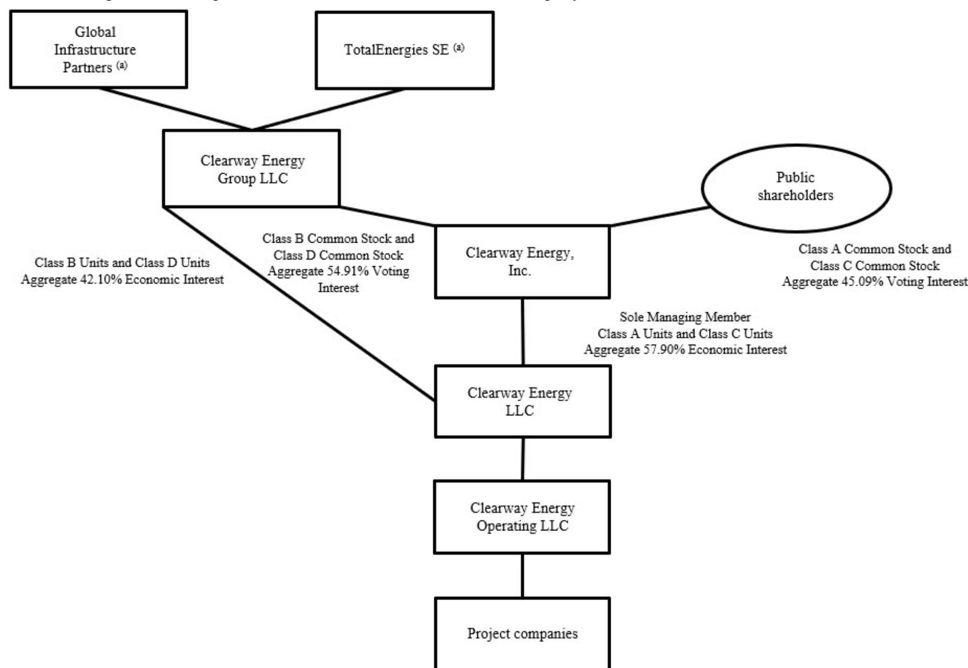
Clearway Energy LLC, together with its consolidated subsidiaries, or the Company, is an energy infrastructure investor with a focus on investments in clean energy and owner of modern, sustainable and long-term contracted assets across North America. The Company is sponsored by GIP and TotalEnergies through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

The Company is one of the largest renewable energy owners in the U.S. with approximately 6,000 net MW of installed wind, solar and energy storage projects. The Company's approximately 8,500 net MW of assets also includes approximately 2,500 net MW of environmentally-sound, highly efficient natural gas-fired generation facilities. Through this environmentally-sound, diversified and primarily contracted portfolio, the Company endeavors to increase distributions to its unit holders. The majority of the Company's revenues are derived from long-term contractual arrangements for the output or capacity from these assets.

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

As of December 31, 2023, Clearway, Inc. owned 57.90% of the economic interests of the Company, with CEG owning 42.10% of the economic interests of the Company. For further discussion, see Note 11, *Members' Equity.*

The diagram below represents a summarized structure of the Company as of December 31, 2023:



(a) GIP and TotalEnergies each own 50% of CEG through intermediate holding companies.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The Company's consolidated financial statements have been prepared in accordance with GAAP. The FASB ASC is the source of authoritative GAAP to be applied by nongovernmental entities. In addition, the rules and interpretative releases of the SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants.

The consolidated financial statements include the Company's accounts and operations and those of its subsidiaries in which it has a controlling financial interest. All significant intercompany transactions and balances have been eliminated in consolidation. The usual condition for a controlling financial interest is ownership of the majority of the voting interests of an entity. However, a controlling financial interest may also exist through arrangements that do not involve controlling voting interests. As such, the Company applies the guidance of ASC 810, *Consolidations,* to determine when an entity that is insufficiently capitalized or not controlled through its voting interests, referred to as a variable interest entity, or VIE, should be consolidated.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less at the time of purchase. Cash and cash equivalents held at project subsidiaries was $125 million and $121 million as of December 31, 2023 and 2022, respectively.

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

	December 31,	
	2023	2022
	(In millions)	
Cash and cash equivalents	$ 535	$ 657
Restricted cash	516	339
Cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	$ 1,051	$ 996

Restricted cash consists primarily of funds held to satisfy the requirements of certain debt agreements and funds held within the Company's projects that are restricted in their use. As of December 31, 2023, these restricted funds were comprised of $176 million designated to fund operating expenses, $178 million designated for current debt service payments and $85 million restricted for reserves including debt service, performance obligations and other reserves as well as capital expenditures. The remaining $77 million is held in distributions reserve accounts.

Supplemental Cash Flow Information

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

	Year ended December 31,		
	2023	2022	2021
		(In millions)	
Cash paid to acquire Drop Down Assets	$ (173)	$ (71)	$ (230)
Cash acquired from the acquisition of Drop Down Assets	128	—	1
Acquisition of Drop Down Assets, net of cash acquired	$ (45)	$ (71)	$ (229)

Accounts Receivable — Trade and Allowance for Credit Losses

Accounts receivable — trade are reported on the consolidated balance sheet at the invoiced amount adjusted for any write-offs and the allowance for credit losses. The majority of the Company's customers typically receive invoices monthly with payment due within 30 days. The allowance for credit losses is reviewed periodically based on amounts past due and their significance. The allowance for credit losses was immaterial as of December 31, 2023 and 2022.

Inventory

Inventory consists of spare parts and is valued at weighted average cost, unless evidence indicates that the weighted average cost will not be recovered with a normal profit in the ordinary course of business. Inventory is removed when used for repairs, maintenance or capital projects.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, however impairment adjustments are recorded whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Significant additions or improvements extending asset lives are capitalized as incurred, while repairs and maintenance that do not improve or extend the life of the respective asset are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives. Certain assets and their related accumulated depreciation amounts are adjusted for asset retirements and disposals with the resulting gain or loss included in cost of operations in the consolidated statements of income. For further discussion of the Company's property, plant and equipment refer to Note 4, *Property, Plant and Equipment*.

Interest incurred on funds borrowed to finance capital projects is capitalized until the project under construction is ready for its intended use. The amount of interest capitalized for the years ended December 31, 2023, 2022 and 2021 was $36 million, $2 million and $3 million, respectively.

Construction in-progress represents cumulative construction costs, including the costs incurred for the purchase of major equipment and engineering costs and capitalized interest. Once the project achieves commercial operation, the Company reclassifies the amounts recorded in construction in progress to facilities and equipment.

Asset Impairments

Long-lived assets that are held and used are reviewed for impairment whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. Such reviews are performed in accordance with ASC 360, *Property, Plant and Equipment*. An impairment loss is indicated if the total future estimated undiscounted cash flows expected from an asset are less than its carrying amount. An impairment charge is measured as the excess of an asset's carrying amount over its fair value with the difference recorded in operating costs and expenses in the consolidated statements of income. Fair values are determined by a variety of valuation methods, including appraisals, sales prices of similar assets and present value techniques. For further discussion of the Company's long-lived asset impairments, refer to Note 9, *Asset Impairments*.

Investments accounted for by the equity method are reviewed for impairment in accordance with ASC 323, *Investments-Equity Method and Joint Ventures*, which requires that a loss in value of an investment that is an other-than-temporary decline should be recognized. The Company identifies and measures losses in the value of equity method investments based upon a comparison of fair value to carrying value.

Debt Issuance Costs

Debt issuance costs are capitalized and amortized as interest expense on a basis which approximates the effective interest method over the term of the related debt. Debt issuance costs related to the long-term debt are presented as a direct deduction from the carrying amount of the related debt. Debt issuance costs related to the senior secured revolving credit facility line of credit are recorded as a non-current asset on the consolidated balance sheet and are amortized over the term of the credit facility.

Intangible Assets

Intangible assets represent contractual rights held by the Company. The Company recognizes specifically identifiable intangible assets including power purchase agreements, leasehold rights, emission allowances, RECs and development rights when specific rights and contracts are acquired. These intangible assets are amortized primarily on a straight-line basis. For further discussion of the Company's intangible assets, refer to Note 8, *Intangible Assets.*

Income Taxes

The Company is classified as a partnership for federal and state income tax purposes. Therefore, federal and most state income taxes are assessed at the partner level. The franchise tax imposed by the state of Texas, however, is being assessed at the level of certain project subsidiaries of the Company, and therefore reflected as an income tax expense or benefit of the Company.

For the year ended December 31, 2023, the Company recorded a deferred tax benefit of $2 million and associated deferred tax liability of $2 million with respect to future years. For the year ended December 31, 2022, the Company recorded a deferred tax expense of $2 million and associated deferred tax liability of $4 million with respect to future years.

Revenue Recognition

Revenue from Contracts with Customers

The Company applies the guidance in ASC 606, *Revenue from Contracts with Customers,* or Topic 606, when recognizing revenue associated with its contracts with customers. The Company's policies with respect to its various revenue streams are detailed below. In general, the Company applies the invoicing practical expedient to recognize revenue for the revenue streams detailed below, except in circumstances where the invoiced amount does not represent the value transferred to the customer.

Conventional Generation Revenues

The majority of the conventional energy plants commenced merchant operations during 2023 following the expiration of the PPAs. These facilities generate revenues from selling electricity and/or RA to the California Independent System Operator and to public utility and load serving entities, as the power is delivered at the interconnection point.

Thermal Revenues

On May 1, 2022, the Company completed the sale of 100% of its interests in the Thermal Business to KKR. For further details of the Thermal Disposition refer to Note 3, *Acquisitions and Dispositions.*

Prior to the Thermal Disposition, steam and chilled water revenue was recognized as the Company transferred the product to the customer, based on customer usage as determined by meter readings taken at month-end. Some locations read customer meters throughout the month and recognized estimated revenue for the period between meter read date and month-end. For thermal contracts, the Company's performance obligation to deliver steam and chilled water was satisfied over time and revenue was recognized based on the invoiced amount. The Thermal Business subsidiaries collected and remitted state and local taxes associated with sales to their customers, as required by governmental authorities. These taxes were presented on a net basis in the consolidated statements of income.

Power Purchase Agreements, or PPAs

The majority of the Company's revenues are obtained through PPAs or similar contractual agreements. Energy, capacity and, where applicable, renewable attributes, from the majority of the Company's renewable energy assets and certain conventional energy plants is sold through long-term PPAs and tolling agreements to a single counterparty, which is often a utility or commercial customer. Certain revenue agreements also provide for the sale of BESS capacity. As discussed above, the majority of the conventional energy plants commenced merchant operations during 2023 following the expiration of the PPAs. The majority of these PPAs are accounted for as operating leases as the Company retained its historical lease assessments and classification upon adoption of ASC 842, *Leases*. ASC 842 requires the minimum lease payments received to be amortized over the term of the lease and contingent rentals are recorded when the achievement of the contingency becomes probable. The Company's BESS arrangements include variable payments not based on an index or rate and sales-type lease treatment would result in a loss at lease commencement. As a result, the Company accounts for these arrangements as operating leases under ASC 842. Judgment is required by management in determining the economic life of each generating facility, in evaluating whether certain lease provisions constitute minimum payments or represent contingent rent and other factors in determining whether a contract contains a lease and whether the lease is an operating lease or finance lease.

Certain of these PPAs have no minimum lease payments and all of the lease revenue under these PPAs is recorded as contingent rent on an actual basis when the electricity is delivered. The contingent lease revenue recognized in the years ended December 31, 2023, 2022 and 2021 was $780 million, $850 million and $741 million, respectively. See Note 15, *Leases,* for additional information related to the Company's PPAs accounted for as leases.

Renewable Energy Credits, or RECs

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

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

Disaggregated Revenues

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

	Year ended December 31, 2023		
(In millions)	**Conventional Generation**	**Renewables**	**Total**
Energy revenue [(a)]	$ 81	$ 942	$ 1,023
Capacity revenue [(a)]	336	23	359
Other revenue [(a)]	28	71	99
Contract amortization	(20)	(166)	(186)
Mark-to-market for economic hedges	(5)	24	19
Total operating revenues	420	894	1,314
Less: Contract amortization	20	166	186
Less: Mark-to-market for economic hedges	5	(24)	(19)
Less: Lease revenue	(274)	(780)	(1,054)
Total revenue from contracts with customers	$ 171	$ 256	$ 427

[(a)] See Note 15, *Leases,* for the amounts of energy, capacity and other revenue that relate to leases and are accounted for under ASC 842.

(In millions)	Year ended December 31, 2022							
	Conventional Generation		Renewables		Thermal		Total	
Energy revenue [a]	$	6	$	956	$	48	$	1,010
Capacity revenue [a]		435		2		18		455
Other revenue		—		71		11		82
Contract amortization		(24)		(151)		—		(175)
Mark-to-market for economic hedges		—		(182)		—		(182)
Total operating revenues		417		696		77		1,190
Less: Contract amortization		24		151		—		175
Less: Mark-to-market for economic hedges		—		182		—		182
Less: Lease revenue		(441)		(809)		(1)		(1,251)
Total revenue from contracts with customers	$	—	$	220	$	76	$	296

[a] See Note 15, *Leases,* for the amounts of energy and capacity revenue that relate to leases and are accounted for under ASC 842.

(In millions)	Year ended December 31, 2021							
	Conventional Generation		Renewables		Thermal		Total	
Energy revenue [a]	$	9	$	784	$	122	$	915
Capacity revenue [a]		455		2		53		510
Other revenue		—		60		32		92
Contract amortization		(23)		(118)		(3)		(144)
Mark-to-market for economic hedges		—		(87)		—		(87)
Total operating revenues		441		641		204		1,286
Less: Contract amortization		23		118		3		144
Less: Mark-to-market for economic hedges		—		87		—		87
Less: Lease revenue		(464)		(716)		(2)		(1,182)
Total revenue from contracts with customers	$	—	$	130	$	205	$	335

[a] See Note 15, *Leases,* for the amounts of energy and capacity revenue that relate to leases and are accounted for under ASC 842.

Contract Amortization

Assets and liabilities recognized from power sales agreements assumed through acquisitions relating to the sale of electric capacity and energy in future periods arising from differences in contract and market prices are amortized to revenue over the term of each underlying contract based on actual generation and/or contracted volumes or on a straight-line basis, where applicable.

Contract Balances

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

(In millions)	December 31, 2023		December 31, 2022	
Accounts receivable, net - Contracts with customers	$	66	$	37
Accounts receivable, net - Leases		105		116
Total accounts receivable, net	$	171	$	153

Derivative Financial Instruments

The Company accounts for derivative financial instruments under ASC 815, *Derivatives and Hedging*, or ASC 815, which requires the Company to record all derivatives on the balance sheet at fair value unless they qualify for a NPNS exception. Changes in the fair value of non-hedge derivatives are immediately recognized in earnings. Changes in the fair value of derivatives accounted for as hedges, if elected for hedge accounting, are deferred and recorded as a component of accumulated OCI until the hedged transactions occur and are recognized in earnings.

The Company's primary derivative financial instruments are interest rate instruments used to mitigate variability in earnings due to fluctuations in interest rates and energy-related instruments used to mitigate variability in earnings due to fluctuations in power market prices or natural gas market prices for conventional facilities. Certain derivative contracts contain provisions providing the counterparties a lien on specific assets as collateral. On an ongoing basis, the Company qualitatively assesses the effectiveness of its derivatives that are designated as hedges for accounting purposes in order to determine that each derivative continues to be highly effective in offsetting changes in cash flows of hedged items. If necessary, the Company will perform an analysis to measure the statistical correlation between the derivative and the associated hedged item to determine the effectiveness of such a contract designated as a hedge. The Company will discontinue hedge accounting if it is determined that the hedge is no longer effective. In this case, the gain or loss previously deferred in accumulated OCI would be frozen until the underlying hedged item is delivered unless the transaction being hedged is no longer probable of occurring in which case the amount in accumulated OCI would be immediately reclassified into earnings. If the derivative financial instrument is terminated, the effective portion of this derivative deferred in accumulated OCI will be frozen until the underlying hedged item is delivered.

Revenues and expenses on contracts that qualify for the NPNS exception are recognized when the underlying physical transaction is delivered. While these contracts are considered derivative financial instruments under ASC 815, they are not recorded at fair value, but on an accrual basis of accounting. If it is determined that a transaction designated as NPNS no longer meets the scope exception, the fair value of the related contract is recorded on the balance sheet and immediately recognized through earnings.

Cash flows from derivative financial instruments, including derivatives designated as cash flow hedges and derivatives not designated as cash flow hedges, are classified as operating activities in the consolidated statements of cash flows.

Concentrations of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of accounts receivable — trade and derivative financial instruments, which are concentrated within entities engaged in the energy and financial industries. These industry concentrations may impact the overall exposure to credit risk, either positively or negatively, in that the customers may be similarly affected by changes in economic, industry or other conditions. In addition, many of the Company's projects have only one customer. See Item 1A, Risk Factors, *Risks Related to the Company's Business,* for a discussion on the Company's dependence on major customers. See Note 6, *Fair Value of Financial Instruments,* for a further discussion of derivative concentrations and Note 12, *Segment Reporting,* for concentration of counterparties.

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, restricted cash, accounts receivable — trade, note receivable — affiliate, accounts payable — trade, account payable — affiliates and accrued expenses and other current liabilities approximate fair value because of the short-term maturity of these instruments. See Note 6, *Fair Value of Financial Instruments,* for a further discussion of fair value of financial instruments.

Asset Retirement Obligations

Asset retirement obligations, or AROs, are accounted for in accordance with ASC 410-20, *Asset Retirement Obligations,* or ASC 410-20. Retirement obligations associated with long-lived assets included within the scope of ASC 410-20 are those for which a legal obligation exists under enacted laws, statutes, and written or oral contracts, including obligations arising under the doctrine of promissory estoppel, and for which the timing and/or method of settlement may be conditional on a future event. ASC 410-20 requires an entity to recognize the fair value of a liability for an ARO in the period in which it is incurred and a reasonable estimate of fair value can be made.

Upon initial recognition of a liability for an ARO, other than when an ARO is assumed in an acquisition of the related long-lived asset, the asset retirement cost is capitalized by increasing the carrying amount of the related long-lived asset by the same amount. Over time, the liability is accreted to its future value, while the capitalized cost is depreciated over the useful life of the related asset. The Company's AROs are primarily related to the future dismantlement of equipment on leased property and environmental obligations related to site closures and fuel storage facilities. The Company records AROs as part of other non-current liabilities on its consolidated balance sheet.

The following table represents the balance of ARO obligations, along with the related activity:

(In millions)		
Balance as of December 31, 2022	$	157
Revisions in estimated cash flows		3
Liabilities incurred		67
Accretion expense		12
Balance as of December 31, 2023	$	239

Guarantees

The Company enters into various contracts that include indemnification and guarantee provisions as a routine part of its business activities. Examples of these contracts include operation and maintenance agreements, service agreements, commercial sales arrangements and other types of contractual agreements with vendors and other third parties as well as affiliates. These contracts generally indemnify the counterparty for tax, environmental liability, litigation and other matters as well as breaches of representations, warranties and covenants set forth in these agreements. Because many of the guarantees and indemnities the Company issues to third parties and affiliates do not limit the amount or duration of its obligations to perform under them, there exists a risk that the Company may have obligations in excess of the amounts agreed upon in the contracts mentioned above. For those guarantees and indemnities that do not limit the liability exposure, the Company may not be able to estimate what the liability would be, until a claim is made for payment or performance, due to the contingent nature of these contracts.

Investments Accounted for by the Equity Method

The Company has investments in various energy projects accounted for by the equity method, several of which are VIEs, where the Company is not a primary beneficiary, as described in Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*. The equity method of accounting is applied to these investments in affiliates because the ownership structure prevents the Company from exercising a controlling influence over the operating and financial policies of the projects. Under this method, equity in pre-tax income or losses of the investments is reflected as equity in earnings of unconsolidated affiliates. Distributions from equity method investments that represent earnings on the Company's investment are included within cash flows from operating activities and distributions from equity method investments that represent a return of the Company's investment are included within cash flows from investing activities.

Sale-Leaseback Arrangements

The Company is party to sale-leaseback arrangements that provide for the sale of certain assets to a third-party and simultaneous leaseback to the Company. In accordance with ASC 840-40, *Sale-Leaseback Transactions*, if the seller-lessee retains, through the leaseback, substantially all of the benefits and risks incident to the ownership of the property sold, the sale-leaseback transaction is accounted for as a financing arrangement. An example of this type of continuing involvement would include an option to repurchase the assets or the buyer-lessor having the option to sell the assets back to the Company. This provision is included in most of the Company's sale-leaseback arrangements. As such, the Company accounts for these arrangements as financings.

Under the financing method, the Company does not recognize as income any of the sale proceeds received from the lessor that contractually constitutes payment to acquire the assets subject to these arrangements. Instead, the sale proceeds received are accounted for as financing obligations and leaseback payments made by the Company are allocated between interest expense and a reduction to the financing obligation. Interest on the financing obligation is calculated using the Company's incremental borrowing rate at the inception of the arrangement on the outstanding financing obligation. Judgment is required to determine the appropriate borrowing rate for the arrangement and in determining any gain or loss on the transaction that would be recorded either at the end of or over the lease term.

Asset Acquisitions

The Company accounts for its acquisitions in accordance with ASC 805, *Business Combinations,* or ASC 805. For third-party acquisitions, ASC 805 requires an acquirer to recognize and measure in its financial statements the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree at fair value at the acquisition date. No goodwill is recognized, and excess purchase price or negative goodwill are allocated to the acquired assets on a relative fair value basis. For acquisitions that relate to entities under common control, the difference between the cash paid and historical value of the entities' equity is recorded as a distribution/contribution from/to CEG with the offset to CEG's contributed capital balance.

Tax Equity Arrangements

Certain portions of the Company's redeemable noncontrolling interest in subsidiaries and noncontrolling interest represent third-party interests in the net assets under certain tax equity arrangements, which are consolidated by the Company, that have been entered into to finance the cost of solar and wind facilities eligible for certain tax credits. The Company has determined that the provisions in the contractual agreements of these structures represent substantive profit sharing arrangements. Further, the Company has determined that the appropriate methodology for calculating the redeemable noncontrolling interest and noncontrolling interest that reflects the substantive profit sharing arrangements is a balance sheet approach utilizing the hypothetical liquidation at book value, or HLBV, method. Under the HLBV method, the amounts reported as redeemable noncontrolling interest and noncontrolling interest represent the amounts the investors to the tax equity arrangements would hypothetically receive at each balance sheet date under the liquidation provisions of the contractual agreements, assuming the net assets of the funding structures were liquidated at their recorded amounts determined in accordance with GAAP. The investors' interests in the results of operations of the funding structures are determined as the difference in redeemable noncontrolling interest and noncontrolling interest at the start and end of each reporting period, after taking into account any capital transactions between the structures and the funds' investors. The calculations utilized to apply the HLBV method include estimated calculations of taxable income or losses for each reporting period. In addition, in certain circumstances, the Company and its partners in the tax equity arrangements agree that certain tax benefits are to be utilized outside of the tax equity arrangements, which may result in differences in the amount an investor would hypothetically receive at the initial balance sheet date calculated strictly in accordance with related contractual agreements. These differences are recognized in the consolidated statements of income using a systematic and rational method over the period during which the investor is expected to achieve its target return.

Redeemable Noncontrolling Interest

To the extent that a third party has the right to redeem their interests for cash or other assets, the Company has included the noncontrolling interest attributable to the third party as a component of temporary equity in the mezzanine section of the consolidated balance sheet. During the fourth quarter of 2023, the Company repurchased a partner's equity interest, as further described in Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*. The following table reflects the changes in the Company's redeemable noncontrolling interest balance:

	(In millions)
Balance at December 31, 2021	$ —
Cash distributions to redeemable noncontrolling interests	(4)
Comprehensive income attributable to redeemable noncontrolling interests	11
Balance at December 31, 2022	7
Cash distributions to redeemable noncontrolling interests	(3)
Comprehensive income attributable to redeemable noncontrolling interests	17
Repurchase of redeemable noncontrolling interest	(20)
Balance at December 31, 2023	$ 1

Use of Estimates

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

In recording transactions and balances resulting from business operations, the Company uses estimates based on the best information available. Estimates are used for such items as plant depreciable lives, uncollectible accounts, AROs, acquisition accounting, fair value of financial instruments and legal costs incurred in connection with recorded loss contingencies, among others. In addition, estimates are used to test long-lived assets for impairment and to determine the fair value of impaired assets. As better information becomes available or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

Reclassification

Certain prior year amounts have been reclassified for comparative purposes.

Recently Adopted Accounting Standards

In March 2020, the FASB issued ASU No. 2020-4, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments provide for optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. These amendments apply only to contracts that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform, which affects certain of the Company's debt and interest rate swap agreements. The guidance is effective for all entities as of March 12, 2020 through December 31, 2022. In December 2022, the FASB issued ASU No. 2022-6, *Deferral of the Sunset Date of Reference Rate Reform*, to extend the end of the transition period to December 31, 2024. As of December 31, 2023, all of the applicable contracts that previously used LIBOR as a reference rate were amended and the Company elected to apply the practical expedient to certain modified cash flow interest rate swap and debt agreements. The adoption did not have a material impact on the Company's financial statements.

Recent Accounting Standards Not Yet Adopted

In November 2023, the FASB issued ASU No. 2023-7, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The amendment improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expense categories and details regarding information utilized to assess segment performance. Additionally, the amendment increases the frequency of disclosures by requiring Topic 280 to be applied to interim financial statements. This guidance will be applied retrospectively and is effective for annual reporting periods in fiscal years beginning after December 15, 2023, and interim reporting periods in fiscal years beginning after December 31, 2024. As of December 31, 2023, the Company has not elected to early adopt the standard and is evaluating the effect of the new guidance on its consolidated financial statements.

Note 3 — Acquisitions and Dispositions

Acquisitions

As further described in Note 2, *Summary of Significant Accounting Policies*, the Company records the assets acquired and liabilities assumed at acquisition-date fair value, except in the case of acquisitions under common control by CEG, for which assets acquired and liabilities assumed are recorded at historical cost on the acquisition date, which in certain circumstances represent the acquired cost.

Texas Solar Nova 1 Drop Down — On December 28, 2023, the Company, through its indirect subsidiary, Lighthouse Renewable Holdco 2 LLC, acquired TSN1 BL Borrower Holdco LLC, the indirect owner of Texas Solar Nova 1, a 252 MW solar project that is located in Kent County, Texas, from Clearway Renew for cash consideration of $23 million. Lighthouse Renewable Holdco 2 LLC is a partnership between the Company and a cash equity investor. The cash equity investor also contributed cash consideration of $109 million to acquire their portion of the acquired entity. TSN1 BL Borrower Holdco LLC consolidates as primary beneficiary, TSN1 TE Holdco LLC, a tax equity fund that owns the Texas Solar Nova 1 solar project, as further described in Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*. Texas Solar Nova 1 has an 18-year PPA with an investment-grade counterparty that commenced in January 2024. The Texas Solar Nova 1 operations are reflected in the Company's Renewables segment and the acquisition was funded with existing sources of liquidity. The acquisition was determined to be an asset acquisition and the Company consolidates Texas Solar Nova 1 on a prospective basis in its financial statements. The assets and liabilities transferred to the Company relate to interests under common control and were recorded at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues*. The sum of the cash paid of $23 million and the historical cost of the Company's net liabilities assumed of $6 million was recorded as an adjustment to CEG's contributed capital balance. In addition, the Company reflected the entire $23 million of the Company's purchase price, which was contributed back to the Company by CEG to pay down the acquired long-term debt, in the line item distributions to CEG, net of contributions in the consolidated statements of members' equity.

The following is a summary of assets and liabilities transferred in connection with the acquisition as of December 28, 2023:

(In millions)	**Texas Solar Nova 1**
Cash	$ 3
Property, plant and equipment	362
Right-of-use assets, net	21
Derivative assets	4
Other non-current assets	6
Total assets acquired	396
Long-term debt [a]	349
Long-term lease liabilities	19
Other current and non-current liabilities	34
Total liabilities assumed	402
Net liabilities assumed	$ (6)

[a] Includes a $90 million construction loan, $109 million sponsor equity bridge loan and $151 million tax equity bridge loan, offset by $1 million in unamortized debt issuance costs. See Note 10, *Long-term Debt,* for further discussion of the long-term debt assumed in the acquisition.

Rosamond Central BESS Drop Down — On December 1, 2023, the Rosamond Central solar project acquired a 147 MW BESS project that is co-located at the Rosamond Central solar facility from Clearway Renew for initial cash consideration of $70 million, $16 million of which was funded by the Company with the remaining $54 million funded through contributions from the cash equity investor in Rosie TargetCo LLC and the tax equity investor in Rosie TE HoldCo LLC. At substantial completion, which is expected to occur in the first half of 2024, the Company estimates it will pay an additional $279 million to Clearway Renew, $61 million of which will be funded by the Company with the remaining $218 million to be funded through contributions from the cash equity and tax equity investors. In order to facilitate and fund the construction of the BESS project, Rosie Class B LLC, the indirect owner of the Rosamond Central solar project, utilizing the proceeds from borrowings received under the refinanced debt facility, issued a loan to Clearway Renew that is included in note receivable — affiliate on the Company's consolidated balance sheet, as further discussed in Note 10, *Long-term Debt*, and also made equity contributions to Rosie BESS Devco LLC, or Rosie Central BESS, which is an investment accounted for under the equity method of accounting, as further discussed in Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*. The BESS project has a PPA for capacity with an investment-grade utility that has a 15-year contract duration that commences when the project reaches commercial operations, which is expected to occur in the first half of 2024. The Rosamond Central BESS operations are reflected in the Company's Renewables segment and the Company's portion of the initial consideration was funded with existing sources of liquidity. The acquisition was determined to be an asset acquisition and the Company consolidates the Rosamond Central BESS project net assets on a prospective basis in its financial statements. The assets and liabilities transferred to the Company relate to interests under common control and were recorded at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues*. The difference between the historical cost of the Company's net assets acquired of $266 million and the cash paid of $70 million was recorded as an adjustment to CEG's contributed capital balance.

The following is a summary of assets and liabilities transferred in connection with the acquisition as of December 1, 2023:

(In millions)	**Rosamond Central BESS**
Property, plant and equipment [(a)]	$ 275
Total assets acquired	275
Other current and non-current liabilities	9
Total liabilities assumed	9
Net assets acquired	$ 266

[(a)] Includes Construction in progress of $272 million.

Victory Pass and Arica Drop Down — On October 31, 2023, the Company, through its indirect subsidiary, VP-Arica Parent Holdco LLC, acquired the Class A membership interests in VP-Arica TargetCo LLC, a partnership and the indirect owner of Victory Pass, a 200 MW solar project that is paired with 50 MW of energy storage, and Arica, a 263 MW solar project that is paired with 136 MW of energy storage, which are both currently under construction in Riverside, California, from Clearway Renew for initial cash consideration of $46 million. Simultaneously, a cash equity investor acquired the Class B membership interests in VP-Arica TargetCo LLC from Clearway Renew for initial cash consideration of $87 million. At substantial completion, which is expected to occur in the first half of 2024, the Company estimates it will pay an additional $182 million to Clearway Renew and the cash equity investor will contribute an additional $347 million. VP-Arica TargetCo LLC consolidates as primary beneficiary, VP-Arica TE Holdco LLC, a tax equity fund that owns the Victory Pass and Arica solar projects, as further described in Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*. Victory Pass and Arica each have PPAs with investment-grade counterparties that have a 15-year and 14-year weighted average contract duration, respectively, that commence when the underlying operating assets reach commercial operations, which is expected to occur in the first half of 2024. The Victory Pass and Arica operations are reflected in the Company's Renewables segment and the acquisition was funded with existing sources of liquidity. The acquisition was determined to be an asset acquisition and the Company consolidates Victory Pass and Arica on a prospective basis in its financial statements. The assets and liabilities transferred to the Company relate to interests under common control and were recorded at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues*. The sum of the cash paid of $46 million and the historical cost of the Company's net liabilities assumed of $1 million was recorded as an adjustment to CEG's contributed capital balance. In addition, the Company reflected the entire $46 million of the Company's purchase price, which was contributed back to the Company by CEG to pay down the acquired long-term debt, in the line item distributions to CEG, net of contributions in the consolidated statements of members' equity.

The following is a summary of assets and liabilities transferred in connection with the acquisition as of October 31, 2023:

(In millions)	Victory Pass and Arica
Cash	$ 1
Property, plant and equipment [(a)]	937
Right-of-use assets, net	4
Derivative assets	1
Other non-current assets	6
Total assets acquired	949
Long-term debt [(b)]	864
Long-term lease liabilities	4
Other current and non-current liabilities	82
Total liabilities assumed	950
Net liabilities assumed	$ (1)

[(a)] Includes Construction in progress of $893 million.

[(b)] Includes a $483 million sponsor equity bridge loan and $385 million tax equity bridge loan, offset by $4 million in unamortized debt issuance costs. See Note 10, *Long-term Debt,* for further discussion of the long-term debt assumed in the acquisition.

Daggett 2 Drop Down — On August 30, 2023, the Company, through its indirect subsidiary, Daggett Solar Investment LLC, acquired the Class A membership interests in Daggett 2 TargetCo LLC, a partnership and the indirect owner of Daggett 2, a 182 MW solar project that is paired with 131 MW of energy storage and is located in San Bernardino, California, from CEG for cash consideration of $13 million. Daggett 2 TargetCo LLC consolidates as primary beneficiary, Daggett 2 TE Holdco LLC, a tax equity fund that owns the Daggett 2 solar project, as further described in Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities.* Daggett 2 has PPAs with investment-grade counterparties that have a 15-year weighted average contract duration that commenced in December 2023. The Daggett 2 operations are reflected in the Company's Renewables segment and the acquisition was funded with existing sources of liquidity. The acquisition was determined to be an asset acquisition and the Company consolidates Daggett 2 on a prospective basis in its financial statements. The assets, liabilities and noncontrolling interests transferred to the Company relate to interests under common control and were recorded at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues*. The sum of the historical cost of the Company's acquired interests of $29 million and the cash paid of $13 million was recorded as an adjustment to CEG's contributed capital balance.

The following is a summary of assets and liabilities transferred in connection with the acquisition as of August 30, 2023:

(In millions)	Daggett 2
Cash	$ 1
Restricted cash [(a)]	119
Property, plant and equipment	379
Right-of-use assets, net	22
Derivative assets	22
Total assets acquired	543
Long-term debt [(b)]	308
Long-term lease liabilities	23
Other current and non-current liabilities	28
Total liabilities assumed	359
Noncontrolling interests	213
Net assets acquired less noncontrolling interests	$ (29)

[(a)] Includes funds that were contributed by the cash equity investor and tax equity investor, which were primarily used to pay off the tax equity bridge loan when the project reached substantial completion on December 22, 2023, as further discussed in Note 10, *Long-term Debt*.

[(b)] Includes a $107 million construction loan and $204 million tax equity bridge loan, offset by $3 million in unamortized debt issuance costs. See Note 10, *Long-term Debt*, for further discussion of the long-term debt assumed in the acquisition.

Daggett 3 Drop Down — On February 17, 2023, the Company, through its indirect subsidiary, Daggett Solar Investment LLC, acquired the Class A membership interests in Daggett TargetCo LLC, the indirect owner of Daggett 3, a 300 MW solar project that is paired with 149 MW of energy storage and located in San Bernardino, California, from Clearway Renew for cash consideration of $21 million. Simultaneously, a cash equity investor acquired the Class B membership interests in Daggett TargetCo LLC from Clearway Renew for cash consideration of $129 million. The Company and the cash equity investor then contributed their Class A and B membership interests, respectively, into Daggett Renewable Holdco LLC, a partnership that consolidates Daggett TargetCo LLC. Daggett TargetCo LLC consolidates as primary beneficiary, Daggett TE Holdco LLC, a tax equity fund that owns the Daggett 3 solar project, as further described in Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*. Daggett 3 has PPAs with investment-grade counterparties that have a 15-year weighted average contract duration that commenced between July 2023 and November 2023. The Daggett 3 operations are reflected in the Company's Renewables segment and the acquisition was funded with existing sources of liquidity. The acquisition was determined to be an asset acquisition and the Company consolidates Daggett 3 on a prospective basis in its financial statements. The assets and liabilities transferred to the Company relate to interests under common control and were recorded at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues*. The difference between the cash paid of $21 million and the historical cost of the Company's net assets acquired of $15 million was recorded as an adjustment to CEG's contributed capital balance. In addition, the Company reflected the entire $21 million of the Company's purchase price, which was contributed back to the Company by CEG to pay down the acquired long-term debt, in the line item distributions to CEG, net of contributions in the consolidated statements of members' equity.

The following is a summary of assets and liabilities transferred in connection with the acquisition as of February 17, 2023:

(In millions)	Daggett 3
Restricted cash	$ 4
Property, plant and equipment	534
Right-of-use assets, net	31
Derivative assets	27
Total assets acquired	596
Long-term debt [(a)]	480
Long-term lease liabilities	33
Other current and non-current liabilities [(b)]	68
Total liabilities assumed	581
Net assets acquired	$ 15

[(a)] Includes a $181 million construction loan, $75 million sponsor equity bridge loan and $229 million tax equity bridge loan, offset by $5 million in unamortized debt issuance costs. See Note 10, *Long-term Debt*, for further discussion of the long-term debt assumed in the acquisition.

[(b)] Includes $32 million of project costs that were subsequently funded by CEG. Subsequent to the acquisition date, CEG funded an additional $22 million in project costs. The combined $54 million funded by CEG was repaid to CEG in October 2023.

Waiawa Drop Down — On October 3, 2022, the Company, through its indirect subsidiary, Lighthouse Renewable Holdco LLC, acquired Waiawa BL Borrower Holdco LLC, the indirect owner of the Waiawa solar project, a 36 MW solar project that is paired with 36 MW of energy storage and located in Honolulu, Hawaii, from Clearway Renew for cash consideration of $20 million. Lighthouse Renewable Holdco LLC is a partnership between the Company and a cash equity investor. The cash equity investor also contributed cash consideration of $12 million, which was utilized to acquire their portion of the acquired entity. At the time of the acquisition, Waiawa BL Borrower Holdco LLC consolidated as primary beneficiary, Waiawa TE Holdco LLC, a tax equity fund that held the Waiawa solar project. Waiawa has a 20-year PPA with an investment-grade utility that commenced in January 2023. The Waiawa solar project is reflected in the Company's Renewables segment and the acquisition was funded with existing sources of liquidity. The acquisition was determined to be an asset acquisition and the Company consolidates Waiawa on a prospective basis in its financial statements. The assets and liabilities transferred to the Company relate to interests under common control and were recorded at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues*. The sum of the cash paid of $20 million and the historical cost of the Company's net liabilities assumed of $1 million was recorded as an adjustment to CEG's contributed capital balance. In addition, the Company reflected $16 million of the Company's purchase price, which was contributed back to the Company by CEG to pay down the acquired long-term debt, in the line item distributions to CEG, net of contributions, in the consolidated statement of members' equity.

The following is a summary of assets and liabilities transferred in connection with the acquisition as of October 3, 2022:

(In millions)	Waiawa
Other current and non-current assets	$ 7
Property, plant and equipment	118
Total assets acquired	125
Long-term debt [(a)]	102
Other current and non-current liabilities	24
Total liabilities assumed	126
Net liabilities assumed	$ (1)

[(a)] Includes a $22 million construction loan, $26 million sponsor equity bridge loan and $55 million tax equity bridge loan, offset by $1 million in unamortized debt issuance costs. See Note 10, *Long-term Debt,* for further discussion of the long-term debt assumed in the acquisition.

Capistrano Wind Portfolio Acquisition — On August 22, 2022, the Company, through its wholly-owned indirect subsidiary, Capistrano Portfolio Holdco LLC, acquired the Capistrano Wind Portfolio from Capistrano Wind Partners LLC, an indirect subsidiary of CEG, for a base purchase price of approximately $255 million, less working capital adjustments in the net amount of approximately $16 million, representing total net consideration of approximately $239 million. Concurrent with the acquisition, the Company also entered into a development agreement with Clearway Renew, whereby Clearway Renew paid $10 million to the Company at acquisition date for an exclusive right to develop, construct and repower the projects in the Capistrano Wind Portfolio, which was utilized to partially fund the acquisition of the Capistrano Wind Portfolio. The Capistrano Wind Portfolio consists of five wind projects located in Texas, Nebraska and Wyoming with a combined capacity of 413 MW that reached commercial operations between 2008 and 2012. The assets within the portfolio sell power under PPAs with investment-grade counterparties that have a weighted average remaining contract duration of approximately 8 years. The Capistrano Wind Portfolio operations are reflected in the Company's Renewables segment and the acquisition was funded with existing sources of liquidity. The acquisition was determined to be an asset acquisition and the Company consolidates the Capistrano Wind Portfolio on a prospective basis in its financial statements. The assets and liabilities transferred to the Company relate to interests under common control and were transferred at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues*, which reflects GIP's basis. The difference between the historical cost of the Company's net assets acquired of $250 million, less the sum of the cash paid of $239 million and the $4 million in accumulated other comprehensive income transferred to the Company, was recorded as an adjustment to CEG's contributed capital balance.

The following is a summary of assets and liabilities transferred in connection with the acquisition as of August 22, 2022:

(In millions)	**Capistrano Wind Portfolio**
Other current and non-current assets [(a)]	$ 39
Property, plant and equipment, net	147
Intangible assets for power purchase agreements	237
Right-of-use assets, net	27
Total assets acquired	450
Long-term debt	162
Long-term lease liabilities	28
Other current and non-current liabilities	10
Total liabilities assumed	200
Net assets acquired	$ 250

[(a)] Includes cash of $12 million and restricted cash of $4 million.

Mililani I Drop Down — On March 25, 2022, the Company, through its indirect subsidiary, Lighthouse Renewable Holdco LLC, acquired Mililani BL Borrower Holdco LLC, the indirect owner of the Mililani I solar project, a 39 MW solar project that is paired with 39 MW of energy storage and located in Honolulu, Hawaii, from Clearway Renew for cash consideration of $22 million. The cash equity investor in Lighthouse Renewable Holdco LLC also contributed cash consideration of $14 million utilized to acquire their portion of the acquired entity. Mililani BL Borrower Holdco LLC consolidates as primary beneficiary, Mililani TE Holdco LLC, a tax equity fund that owns the Mililani I solar project. Mililani I has a 20-year PPA with an investment-grade utility that commenced in July 2022. The Mililani I operations are reflected in the Company's Renewables segment and the acquisition was funded with existing sources of liquidity. The acquisition was determined to be an asset acquisition and the Company consolidates Mililani I on a prospective basis in its financial statements. The assets and liabilities transferred to the Company relate to interests under common control and were recorded at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues*. The sum of the cash paid of $22 million and the historical cost of the Company's net liabilities assumed of $8 million was recorded as an adjustment to CEG's contributed capital balance. In addition, the Company reflected $15 million of the Company's purchase price, which was contributed back to the Company by CEG to pay down the acquired long-term debt, in the line item distributions to CEG, net of contributions, in the consolidated statement of members' equity.

The following is a summary of assets and liabilities transferred in connection with the acquisition as of March 25, 2022:

(In millions)	Mililani I
Other current and non-current assets	$ 2
Property, plant and equipment	118
Right-of-use assets	19
Total assets acquired	139
Long-term debt [(a)]	100
Long-term lease liabilities	20
Other current and non-current liabilities	27
Total liabilities assumed	147
Net liabilities assumed	$ (8)

[(a)] Includes a $16 million construction loan, $27 million sponsor equity bridge loan and $60 million tax equity bridge loan, offset by $3 million in unamortized debt issuance costs. See Note 10, *Long-term Debt,* for further discussion of the long-term debt assumed in the acquisition.

Dispositions

Kawailoa Sale — On August 1, 2022, the Company sold 100% of its Class A membership interests in the Kawailoa Partnership to Clearway Renew for cash proceeds of $9 million, which equals the Company's initial investment. The Kawailoa Partnership is a partnership that consolidates, through its 51% controlling majority interest, a lower-level partnership that is 49% owned by a cash equity investor, and which consolidates the Kawailoa solar project through its ownership of a controlling interest in the tax equity fund that holds the project. The assets and liabilities transferred to Clearway Renew relate to interests under common control and were transferred at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues*. This resulted in the Company removing $69 million from members' equity, inclusive of the noncontrolling interest related to the Kawailoa Partnership at the time of sale. Noncontrolling interests prior to the sale include the interests of the cash equity investor, tax equity investor and Clearway Renew.

Thermal Disposition — On May 1, 2022, the Company completed the sale of 100% of its interests in the Thermal Business to KKR for net proceeds of approximately $1.46 billion, inclusive of working capital adjustments, which excludes approximately $18 million in transaction expenses that were incurred in connection with the disposition. The Thermal Disposition resulted in a gain on sale of business of approximately $1.29 billion, which is net of the $18 million in transaction expenses referenced above. The proceeds from the sale were utilized to repay certain borrowings outstanding as further described in Note 10, *Long-term Debt*, with the remaining proceeds invested in short-term investments classified as cash and cash equivalents on the Company's consolidated balance sheet. The Company's Thermal segment was comprised solely of the Thermal Business's results of operations.

Note 4 — Property, Plant and Equipment

The Company's major classes of property, plant, and equipment were as follows:

	December 31, 2023	December 31, 2022	Depreciable Lives
	(In millions)		
Facilities and equipment	$ 11,426	$ 9,992	3 - 41 Years
Land and improvements	365	293	
Construction in progress [(a)] [(b)]	1,220	160	
Total property, plant and equipment	13,011	10,445	
Accumulated depreciation	(3,485)	(3,024)	
Net property, plant and equipment	$ 9,526	$ 7,421	

[(a)] As of December 31, 2023 and 2022, construction in progress includes $21 million and $17 million, respectively, of capital expenditures that relate to prepaid long-term service agreements in the Conventional segment.

[(b)] As of December 31, 2023 and 2022, construction in progress includes $72 million and $9 million, respectively, of accrued capital expenditures.

Depreciation expense related to property, plant and equipment during the years ended December 31, 2023, 2022 and 2021 was $514 million, $502 million and $499 million, respectively.

The Company recorded long-lived asset impairments during each of the years ended December 31, 2023, 2022 and 2021, as further described in Note 9, *Asset Impairments.*

Note 5 — Investments Accounted for by the Equity Method and Variable Interest Entities

Equity Method Investments

The Company's maximum exposure to loss as of December 31, 2023 is limited to its equity investment in the unconsolidated entities, as further summarized in the table below:

Name	Economic Interest	Investment Balance
		(In millions)
Avenal	50%	$ 7
Desert Sunlight	25%	224
Elkhorn Ridge	66.7%	15
GenConn [(a)]	50%	79
Rosie Central BESS [(a)]	50%	28
San Juan Mesa	75%	7
		$ 360

[(a)] GenConn and Rosie Central BESS are variable interest entities.

As of December 31, 2023 and 2022, the Company had $17 million and $19 million, respectively, of undistributed earnings from its equity method investments.

The Company acquired its interest in Desert Sunlight on June 30, 2015, for $285 million, which resulted in a difference between the purchase price and the basis of the acquired assets and liabilities of $181 million. The difference is attributable to the fair value of the property, plant and equipment and power purchase agreements. The Company is amortizing the related basis differences to equity in earnings of unconsolidated subsidiaries over the related useful life of the underlying assets acquired. As of December 31, 2023, the carrying value of the basis difference is $122 million.

The Company's pro-rata share of non-recourse debt held by unconsolidated affiliates was $303 million as of December 31, 2023.

Rosie Central BESS — On June 30, 2023, the Company, through its indirect subsidiary, Rosie Class B LLC, the indirect owner of the Rosamond Central solar project, became the owner of the Class B membership interests of Rosie Central BESS in order to facilitate and fund the construction of a BESS project that is co-located at the Rosamond Central solar facility. Clearway Renew indirectly owns the Class A membership interests and controls Rosie Central BESS. The Company accounts for its investment in Rosie Central BESS as an equity method investment. As of December 31, 2023, the Company's investment consisted of $28 million contributed into Rosie Central BESS, funded through contributions from the Company and its cash equity investor in Rosie TargetCo LLC, which consolidates Rosie Class B LLC. On December 1, 2023, the Rosamond Central solar project acquired the BESS project from Clearway Renew, as further discussed in Note 3, *Acquisitions and Dispositions*. When the BESS project reaches substantial completion, which is expected to occur in the first half of 2024, Clearway Renew will return Rosie Class B LLC's equity investment.

The following tables present summarized financial information for the Company's equity method investments:

	Year Ended December 31,		
	2023	2022	2021
Income Statement Data:	(In millions)		
GenConn			
Operating revenues	$ 51	$ 50	$ 55
Operating income	14	16	22
Net income	6	7	13
Desert Sunlight			
Operating revenues	202	203	205
Operating income	144	137	146
Net income	108	114	112
Other [(a)]			
Operating revenues	43	52	49
Operating income	9	18	16
Net income	7	15	13

	As of December 31,	
	2023	2022
Balance Sheet Data:	(In millions)	
GenConn		
Current assets	$ 39	$ 39
Non-current assets	294	312
Current liabilities	15	16
Non-current liabilities	162	170
Desert Sunlight		
Current assets	80	79
Non-current assets	1,131	1,175
Current liabilities	61	61
Non-current liabilities	776	824
Other [(a)]		
Current assets	19	22
Non-current assets	135	157
Current liabilities	13	12
Non-current liabilities	81	91

[(a)] Includes Avenal, Elkhorn Ridge, San Juan Mesa and Rosie Central BESS.

Variable Interest Entities, or VIEs

Entities that are Consolidated

The Company has a controlling financial interest in certain entities which have been identified as VIEs under ASC 810, *Consolidations*. These arrangements are primarily related to tax equity arrangements entered into with third parties in order to monetize certain tax credits associated with wind and solar facilities. The Company also has a controlling financial interest in certain partnership arrangements with third-party investors, which also have been identified as VIEs. Under the Company's arrangements that have been identified as VIEs, the third-party investors are allocated earnings, tax attributes and distributable cash in accordance with the respective limited liability company agreements. Many of these arrangements also provide a mechanism to facilitate achievement of the investor's specified return by providing incremental cash distributions to the investor at a specified date if the specified return has not yet been achieved.

The following is a summary of significant activity during 2023 related to the Company's consolidated VIEs:

DGPV Funds — On December 29, 2023, the Company, through its indirect subsidiary, DGPV 4 LLC, acquired 100% of the Class A membership interests in DGPV Fund 4 LLC, a tax equity fund that owns several distributed solar projects, from the tax equity investor in DGPV Fund 4 LLC for $3 million. Prior to the acquisition, the Company consolidated DGPV Fund 4 LLC through its ownership of the Class B membership interests and role as managing member and the Class A membership interests were reflected as redeemable noncontrolling interest on the Company's consolidated balance sheet. The difference between the historical cost of the Company's redeemable noncontrolling interest of $20 million and the cash paid of $3 million was recorded as an adjustment to CEG's contributed capital balance.

Alta TE Holdco — On December 6, 2023, the Company, through its indirect subsidiary, Clearway Energy Operating LLC, acquired 100% of the Class A membership interests in Alta X-XI TE Holdco, LLC, or Alta TE Holdco, a tax equity fund that owns the Alta X and XI wind projects, from the tax equity investor in Alta TE Holdco for $10 million. Prior to the acquisition, the Company consolidated Alta TE Holdco through its ownership of the Class B membership interests and role as managing member, and the Class A membership interests were reflected as noncontrolling interest on the Company's consolidated balance sheet. The difference between the historical cost of the Company's noncontrolling interest of $37 million and the cash paid of $10 million was recorded as an adjustment to CEG's contributed capital balance.

Lighthouse Partnerships

As described in Note 3, *Acquisitions and Dispositions*, on December 28, 2023, Lighthouse Renewable Holdco 2 LLC, an indirect subsidiary of the Company, acquired TSN1 BL Borrower Holdco LLC. The Company consolidates Lighthouse Renewable Holdco 2 LLC, a partnership between the Company and a cash equity investor, as a VIE as the Company is the primary beneficiary, through its role as managing member. The Company recorded the noncontrolling interest of the cash equity investor in TSN1 BL Borrower Holdco LLC at historical carrying amount, with the offset to additional paid-in capital. TSN1 BL Borrower Holdco LLC consolidates as primary beneficiary, TSN1 TE Holdco LLC, a tax equity fund that owns the Texas Solar Nova 1 solar project. The Class A membership interests in TSN1 TE Holdco LLC are held by a tax equity investor and are reflected as noncontrolling interest on the Company's consolidated balance sheet.

On August 30, 2023, the Company and the cash equity investor in Lighthouse Renewable Holdco LLC and Lighthouse Renewable Holdco 2 LLC agreed to transfer Mesquite Star Class B Holdco LLC, the indirect owner of the Mesquite Star wind project, from Lighthouse Renewable Holdco LLC to Lighthouse Renewable Holdco 2 LLC. As the transfer was among entities under common control, the transaction was recognized at historical cost and no gain or loss was recognized.

VP-Arica TargetCo LLC — As described in Note 3, *Acquisitions and Dispositions*, on October 31, 2023, VP-Arica Parent Holdco LLC, an indirect subsidiary of the Company, acquired the Class A membership interests in VP-Arica TargetCo LLC, which is a partnership. The Company consolidates VP-Arica TargetCo LLC as a VIE as the Company is the primary beneficiary. Through its membership interests in VP-Arica TargetCo LLC, the Company receives 40% of distributable cash. The Company recorded the noncontrolling interest of the cash equity investor in VP-Arica TargetCo LLC at historical carrying amount, with the offset to additional paid-in capital. VP-Arica TargetCo LLC consolidates as primary beneficiary and through its ownership of the Class B membership interests, VP-Arica TE Holdco LLC, a tax equity fund that owns the Victory Pass and Arica solar projects. The Class A membership interests in VP-Arica TE Holdco LLC are held by a tax equity investor and are reflected as noncontrolling interest on the Company's consolidated balance sheet.

Daggett Partnerships

As described in Note 3, *Acquisitions and Dispositions*, on August 30, 2023, Daggett Solar Investment LLC, an indirect subsidiary of the Company, acquired the Class A membership interests in Daggett 2 TargetCo LLC, which is a partnership. The Company consolidates Daggett 2 TargetCo LLC as a VIE as the Company is the primary beneficiary, through its role as managing member. Through its membership interests in Daggett 2 TargetCo LLC, the Company receives 25% of distributable cash. The Company recorded the acquired noncontrolling interest of the cash equity investor in Daggett 2 TargetCo LLC at historical carrying amount. Daggett 2 TargetCo LLC consolidates as primary beneficiary and through its ownership of the Class B membership interests, Daggett 2 TE Holdco LLC, a tax equity fund that owns the Daggett 2 solar project. The Class A membership interests in Daggett 2 TE Holdco LLC are held by a tax equity investor and are reflected as noncontrolling interest on the Company's consolidated balance sheet.

As described in Note 3, *Acquisitions and Dispositions*, on February 17, 2023, Daggett Solar Investment LLC acquired the Class A membership interests in Daggett TargetCo LLC while a cash equity investor acquired the Class B membership interests. The Company and the cash equity investor then contributed their Class A and B membership interests, respectively, into Daggett Renewable Holdco LLC, which is a partnership, and concurrently, Daggett TargetCo LLC became a wholly-owned subsidiary of Daggett Renewable Holdco LLC. Through its membership interests in Daggett Renewable Holdco LLC, the Company receives 25% of distributable cash. The Company consolidates Daggett Renewable Holdco LLC as a VIE as the Company is the primary beneficiary, through its role as managing member. The Company recorded the noncontrolling interest of the cash equity investor in Daggett Renewable Holdco LLC at historical carrying amount, with the offset to additional paid-in capital. Daggett TargetCo LLC consolidates as primary beneficiary and through its ownership of the Class B membership interests, Daggett TE Holdco LLC, a tax equity fund that owns the Daggett 3 solar project. The Class A membership interests in Daggett TE Holdco LLC are held by a tax equity investor and are reflected as noncontrolling interest on the Company's consolidated balance sheet.

Summarized financial information for the Company's consolidated VIEs consisted of the following as of December 31, 2023:

(In millions)	Buckthorn Holdings, LLC	DGPV Funds [a]	Langford TE Partnership LLC	Daggett Partnerships [b]	Lighthouse Renewable Holdco LLC [c]	Lighthouse Renewable Holdco 2 LLC [d]
Other current and non-current assets	$ 4	$ 58	$ 23	$ 167	$ 68	$ 135
Property, plant and equipment	185	381	115	988	415	1,086
Intangible assets	—	1	—	—	—	2
Total assets	189	440	138	1,155	483	1,223
Current and non-current liabilities	12	50	63	464	139	447
Total liabilities	12	50	63	464	139	447
Noncontrolling interest	15	3	66	827	254	590
Net assets less noncontrolling interest	$ 162	$ 387	$ 9	$ (136)	$ 90	$ 186

[a] DGPV Funds is comprised of Clearway & EFS Distributed Solar LLC, Golden Puma Fund LLC, Renew Solar CS4 Fund LLC and Chestnut Fund LLC, which are all tax equity funds.
[b] Daggett Partnerships includes Daggett 2 TargetCo LLC, which consolidates Daggett 2 TE Holdco LLC, a consolidated VIE, and Daggett Renewable Holdco LLC, which consolidates Daggett TE Holdco LLC, a consolidated VIE.
[c] Lighthouse Renewable Holdco LLC consolidates Black Rock TE Holdco LLC and Mililani TE Holdco LLC, which are consolidated VIEs.
[d] Lighthouse Renewable Holdco 2 LLC consolidates Mesquite Sky TE Holdco LLC, Mesquite Star Tax Equity Holdco LLC and TSN1 TE Holdco LLC, which are consolidated VIEs.

(In millions)	Oahu Solar LLC	Rattlesnake TE Holdco LLC	Rosie TargetCo LLC	VP-Arica TargetCo LLC [a]	Wildorado TE Holdco LLC	Other [b]
Other current and non-current assets	$ 38	$ 13	$ 298	$ 101	$ 20	$ 24
Property, plant and equipment	157	176	507	960	194	238
Intangible assets	—	—	—	—	—	16
Total assets	195	189	805	1,061	214	278
Current and non-current liabilities	22	17	376	834	18	85
Total liabilities	22	17	376	834	18	85
Noncontrolling interest	23	77	181	67	99	95
Net assets less noncontrolling interest	$ 150	$ 95	$ 248	$ 160	$ 97	$ 98

[a] VP-Arica TargetCo LLC consolidates VP-Arica TE Holdco LLC, a consolidated VIE that owns the Victory Pass and Arica solar projects.
[b] Other is comprised of Elbow Creek TE Holdco LLC, Pinnacle Repowering TE Holdco LLC and the Spring Canyon projects.

Note 6 — Fair Value of Financial Instruments

Fair Value Accounting under ASC 820

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

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

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

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

The carrying amounts and estimated fair values of the Company's recorded financial instruments not carried at fair market value or that do not approximate fair value are as follows:

	As of December 31, 2023		As of December 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In millions)			
Liabilities:				
Long-term debt, including current portion — affiliate	$ 1	$ 1	$ 2	$ 2
Long-term debt, including current portion — external [a]	8,102	7,611	6,874	6,288

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

The fair value of the Company's publicly-traded long-term debt is based on quoted market prices and is classified as Level 2 within the fair value hierarchy. The fair value of debt securities, non-publicly traded long-term debt and certain notes receivable of the Company are based on expected future cash flows discounted at market interest rates, or current interest rates for similar instruments with equivalent credit quality and are classified as Level 3 within the fair value hierarchy. The following table presents the level within the fair value hierarchy for long-term debt, including current portion:

	As of December 31, 2023		As of December 31, 2022	
	Level 2	Level 3	Level 2	Level 3
	(In millions)			
Long-term debt, including current portion	$ 1,940	$ 5,672	$ 1,836	$ 4,454

Recurring Fair Value Measurements

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

	As of December 31, 2023		As of December 31, 2022	
	Fair Value	Fair Value [a]	Fair Value	Fair Value [a]
(In millions)	Level 2 [b]	Level 3	Level 2	Level 3
Derivative assets				
Energy-related commodity contracts [c]	$ 2	$ —	$ —	$ —
Interest rate contracts	121	—	89	—
Other financial instruments [d]	—	13	—	17
Total assets	$ 123	$ 13	$ 89	$ 17
Derivative liabilities				
Energy-related commodity contracts [e]	$ —	$ 330	$ —	$ 353
Interest rate contracts	2	—	—	—
Total liabilities	$ 2	$ 330	$ —	$ 353

[a] There were no derivative assets or liabilities classified as Level 1 as of December 31, 2023 and 2022.

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

[c] Includes long-term backbone transportation service contracts entered into by El Segundo and Walnut Creek during 2023.

[d] Includes SREC contract.

[e] Includes $325 million related to long-term power commodity contracts and $5 million related to short-term heat rate call option contracts entered into by El Segundo, Marsh Landing and Walnut Creek during 2023.

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

	Year ended December 31,	
	2023	2022
(In millions)	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)	
Beginning balance	$ (336)	$ (154)
Settlements	28	61
Additions due to loss of NPNS exception	—	(22)
Total losses for the period included in earnings	(9)	(221)
Ending balance	$ (317)	$ (336)
Change in unrealized losses included in earnings for derivatives and other financial instruments held as of December 31,	$ (9)	$ (221)

Derivative and Financial Instruments Fair Value Measurements

The Company's contracts are non-exchange-traded and valued using prices provided by external sources. The Company uses quoted observable forward prices to value its energy-related commodity contracts, which includes long-term power commodity contracts and heat rate call option contracts. To the extent that observable forward prices are not available, the quoted prices reflect the average of the forward prices from the prior year, adjusted for inflation. As of December 31, 2023, contracts valued with prices provided by models and other valuation techniques make up 99% of derivative liabilities and 100% of other financial instruments.

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

The following table quantifies the significant unobservable inputs used in developing the fair value of the Company's Level 3 positions as of December 31, 2023:

	December 31, 2023						
	Fair Value				Input/Range		
	Assets	Liabilities	Valuation Technique	Significant Unobservable Input	Low	High	Weighted Average
	(In millions)						
Long-term Power Commodity Contracts	$ —	$ 325	Discounted Cash Flow	Forward Market Price (per MWh)	$ 18.18	$ 81.62	$ 39.91
Heat Rate Call Option Commodity Contracts	—	5	Option Model	Forward Market Price (per MWh)	$ (43.96)	$ 343.61	$ 64.34
			Option Model	Forward Market Price (per MMBtu)	$ 1.25	$ 13.69	$ 4.93
Other Financial Instruments	13	—	Discounted Cash Flow	Forecast annual generation levels of certain DG solar facilities	60,801 MWh	121,602 MWh	115,622 MWh

The following table provides the impact on the fair value measurements to increases/(decreases) in significant unobservable inputs as of December 31, 2023:

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

The fair value of each contract is discounted using a risk-free interest rate. In addition, a credit reserve is applied to reflect credit risk, which is, for interest rate swaps, calculated based on credit default swaps using the bilateral method. For commodities, to the extent that the Net Exposure under a specific master agreement is an asset, the Company uses the counterparty's default swap rate. If the Net Exposure under a specific master agreement is a liability, the Company uses a proxy of its own default swap rate. For interest rate swaps and commodities, the credit reserve is added to the discounted fair value to reflect the exit price that a market participant would be willing to receive to assume the liabilities or that a market participant would be willing to pay for the assets. As of December 31, 2023, the non-performance reserve was a $15 million gain recorded primarily to total operating revenues in the consolidated statements of income. It is possible that future market prices could vary from those used in recording assets and liabilities and such variations could be material.

Concentration of Credit Risk

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

Counterparty credit exposure includes credit risk exposure under certain long-term agreements, including solar and other PPAs. As external sources or observable market quotes are not available to estimate such exposure, the Company estimates the exposure related to these contracts based on various techniques including, but not limited to, internal models based on a fundamental analysis of the market and extrapolation of observable market data with similar characteristics. A significant portion of these energy-related commodity contracts are with utilities with strong credit quality and public utility commission or other regulatory support. However, such regulated utility counterparties can be impacted by changes in government regulations or adverse financial conditions, which the Company is unable to predict. Certain subsidiaries of the Company sell the output of their facilities to PG&E, a significant counterparty of the Company, under long-term PPAs, and PG&E's credit rating is below investment-grade.

Note 7 — Accounting for Derivative Instruments and Hedging Activities

ASC 815 requires the Company to recognize all derivative instruments on the balance sheet as either assets or liabilities and to measure them at fair value each reporting period unless they qualify for a NPNS exception. The Company may elect to designate certain derivatives as cash flow hedges, if certain conditions are met, and defer the change in fair value of the derivatives to accumulated OCI/OCL, until the hedged transactions occur and are recognized in earnings. For derivatives that are not designated as cash flow hedges or do not qualify for hedge accounting treatment, the changes in the fair value will be immediately recognized in earnings. Certain derivative instruments may qualify for the NPNS exception and are therefore exempt from fair value accounting treatment. ASC 815 applies to the Company's energy-related commodity contracts and interest rate swaps.

Interest Rate Swaps

The Company enters into interest rate swap agreements in order to hedge the variability of expected future cash interest payments. As of December 31, 2023, the Company had interest rate derivative instruments on non-recourse debt extending through 2040, a portion of which were designated as cash flow hedges. Under the interest rate swap agreements, the Company pays a fixed rate and the counterparties to the agreements pay a variable interest rate.

Energy-Related Commodity Contracts

As of December 31, 2023, the Company had energy-related derivative instruments extending through 2033. At December 31, 2023, these contracts were not designated as cash flow or fair value hedges.

Volumetric Underlying Derivative Transactions

The following table summarizes the net notional volume buy/(sell) of the Company's open derivative transactions broken out by commodity:

		Total Volume	
		December 31, 2023	December 31, 2022
Commodity	Units	(In millions)	
Power	MWh	(23)	(18)
Natural Gas	MMBtu	17	—
Interest	Dollars	$ 2,467	$ 1,084

Fair Value of Derivative Instruments

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

	Fair Value			
	Derivative Assets		Derivative Liabilities	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(In millions)			
Derivatives Designated as Cash Flow Hedges:				
Interest rate contracts current	$ 7	$ 7	$ —	$ —
Interest rate contracts long-term	12	18	2	—
Total Derivatives Designated as Cash Flow Hedges	$ 19	$ 25	$ 2	$ —
Derivatives Not Designated as Cash Flow Hedges:				
Interest rate contracts current	$ 33	$ 19	$ —	$ —
Interest rate contracts long-term	69	45	—	—
Energy-related commodity contracts current	1	—	51	50
Energy-related commodity contracts long-term	1	—	279	303
Total Derivatives Not Designated as Cash Flow Hedges	$ 104	$ 64	$ 330	$ 353
Total Derivatives	$ 123	$ 89	$ 332	$ 353

The Company has elected to present derivative assets and liabilities on the balance sheet on a trade-by-trade basis and does not offset amounts at the counterparty level. As of December 31, 2023 and 2022, the amount of outstanding collateral paid or received was immaterial. The following tables summarize the offsetting of derivatives by counterparty:

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

	Gross Amounts Not Offset in the Statement of Financial Position		
As of December 31, 2022	Gross Amounts of Recognized Assets/Liabilities	Derivative Instruments	Net Amount
Energy-related commodity contracts	(In millions)		
Derivative liabilities	$ (353)	$ —	$ (353)
Total energy-related commodity contracts	$ (353)	$ —	$ (353)
Interest rate contracts			
Derivative assets	$ 89	$ —	$ 89
Total interest rate contracts	$ 89	$ —	$ 89
Total derivative instruments	$ (264)	$ —	$ (264)

Accumulated Other Comprehensive Income (Loss)

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

	Year ended December 31,		
	2023	2022	2021
	(In millions)		
Accumulated OCI (OCL) beginning balance	$ 27	$ (13)	$ (35)
Reclassified from accumulated OCI (OCL) to income due to realization of previously deferred amounts	(5)	5	11
Capistrano Wind Portfolio Acquisition	—	7	—
Mark-to-market of cash flow hedge accounting contracts	(2)	28	11
Accumulated OCI (OCL) ending balance	$ 20	$ 27	$ (13)
Accumulated OCI attributable to noncontrolling interests	5	6	—
Accumulated OCI (OCL) attributable to Clearway Energy LLC	$ 15	$ 21	$ (13)
Income expected to be realized from OCI during the next 12 months	$ 5		

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

Impact of Derivative Instruments on the Consolidated Statements of Income

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

	Year ended December 31,		
	2023	2022	2021
	(In millions)		
Interest Rate Contracts (Interest expense)	$ (17)	$ 100	$ 53
Energy-Related Commodity Contracts (Mark-to-market for economic hedging activities included in Total operating revenues) [(a)]	23	(174)	(83)
Energy-Related Commodity Contracts (Mark-to-market for economic hedging activities included in Cost of operations) [(b)]	2	—	—

[(a)] Relates to long-term energy-related commodity contracts at Elbow Creek, Mesquite Star, Mt. Storm, Langford and Mesquite Sky and short-term heat rate call option energy-related commodity contracts at El Segundo, Marsh Landing and Walnut Creek. During the year ended December 31, 2022, the energy-related commodity contract for Langford, which previously met the NPNS exception, no longer qualified for NPNS treatment and, accordingly, is accounted for as a derivative and marked to fair value through operating revenues.

[(b)] Relates to long-term backbone transportation service energy-related commodity contracts at El Segundo and Walnut Creek.

See Note 6, *Fair Value of Financial Instruments*, for a discussion regarding concentration of credit risk.

Note 8 — Intangible Assets

Intangible Assets — The Company's intangible assets as of December 31, 2023 and 2022 primarily reflect intangible assets established from its business acquisitions and are comprised of the following:

- *PPAs* — Established predominantly with the acquisitions of the Alta Wind Portfolio, Walnut Creek, Tapestry, Laredo Ridge, Carlsbad Energy Center, Agua Caliente, the Utah Solar Portfolio and the Capistrano Wind Portfolio. These represent the fair value of the PPAs acquired. These are amortized on a straight-line basis, over the term of the PPA.
- *Leasehold Rights* — Established with the acquisition of the Alta Wind Portfolio, this represents the fair value of contractual rights to receive royalty payments equal to a percentage of PPA revenue from certain projects. These are amortized as a reduction to operating revenue on a straight-line basis over the term of the PPAs.
- *Emission Allowances* — These intangibles primarily consist of SO_2 and NO_x emission allowances established with the El Segundo, Walnut Creek and Carlsbad Energy Center acquisitions. These emission allowances are held-for-use and are amortized to cost of operations, with NO_x allowances amortized on a straight-line basis and SO_2 allowances amortized based on units of production.

- *Other* — Consists of a) the acquisition date fair value of the contractual rights to a ground lease for South Trent and to utilize certain interconnection facilities for Blythe as well as land rights acquired in connection with the acquisition of Elbow Creek; b) development rights related to certain solar business acquisitions; c) purchased software for certain solar projects; d) RECs acquired in connection with the acquisition of the Utah Solar Portfolio; and e) favorable land leases acquired in connection with the acquisition of the Utah Star Portfolio.

The following tables summarize the components of intangible assets subject to amortization:

Year ended December 31, 2023 (In millions)	PPAs	Leasehold Rights	Emission Allowances	Other	Total
January 1, 2023	$ 3,321	$ 86	$ 17	$ 18	$ 3,442
Walnut Creek PPA expiration	(50)	—	—	—	(50)
Other	(6)	—	—	(3)	(9)
December 31, 2023	3,265	86	17	15	3,383
Less accumulated amortization	(962)	(38)	(4)	(5)	(1,009)
Net carrying amount	$ 2,303	$ 48	$ 13	$ 10	$ 2,374

Year ended December 31, 2022 (In millions)	PPAs	Leasehold Rights	Emission Allowances	Other	Total
January 1, 2022	$ 2,985	$ 86	$ 17	$ 16	$ 3,104
Acquisitions [a]	336	—	—	—	336
Other	—	—	—	2	2
December 31, 2022	3,321	86	17	18	3,442
Less accumulated amortization	(833)	(34)	(4)	(6)	(877)
Net carrying amount	$ 2,488	$ 52	$ 13	$ 12	$ 2,565

[a] The weighted average life of acquired intangibles was 10 years for PPAs.

The Company recorded amortization expense of $186 million, $174 million and $143 million during the years ended December 31, 2023, 2022 and 2021, respectively. Of these amounts, $181 million, $168 million and $135 million during the years ended December 31, 2023, 2022 and 2021, respectively, were related to the amortization of intangible assets for power purchase agreements and were recorded to contract amortization expense, which reduced operating revenues in the consolidated statements of income. The Company estimates the future amortization expense for its intangibles for the next five years as follows:

	(In millions)
2024	$ 184
2025	184
2026	184
2027	183
2028	183

Note 9 — Asset Impairments

2023 Impairment Losses

During the fourth quarter of 2023, in preparation and review of its annual budget, the Company updated its long-term estimates of operating and capital expenditures and revised its assessment of long-term merchant power prices, which was primarily informed by present conditions and did not contemplate future policy changes, which could impact renewable energy power prices. The impairment analysis reviews certain qualitative factors as well as the results of long-term operating expectations and its carrying value to determine if impairment indicators are present. The impairment analysis indicated that the projected future cash flows for certain projects within the Renewables segment no longer supported the recoverability of the carrying value of the related long-lived assets. As such, the Company recorded an impairment loss of $12 million, which primarily related to property, plant, and equipment to reflect the assets at fair market value. The fair value of the facilities was determined using an income approach by applying a discounted cash flow methodology to the updated long-term budgets for each respective plant. The income approach included key inputs such as forecasted merchant power prices, operations and maintenance expense, and discount rates. The resulting fair value is a Level 3 fair value measurement.

2022 Impairment Losses

The impairment analysis indicated that the projected future cash flows for certain projects within the Renewables segment no longer supported the recoverability of the carrying value of the related long-lived assets. As such, the Company recorded an impairment loss of $16 million, which primarily related to property, plant, and equipment to reflect the assets at fair market value. The fair value of the facilities was determined using an income approach by applying a discounted cash flow methodology to the updated long-term budgets for each respective plant. The income approach included key inputs such as forecasted merchant power prices, operations and maintenance expense, and discount rates. The resulting fair value is a Level 3 fair value measurement.

2021 Impairment Losses

The impairment analysis indicated that the projected future cash flows for several wind projects within the Renewables segment no longer supported the recoverability of the carrying value of the related long-lived assets. As such, the Company recorded an impairment loss of $6 million, which primarily related to property, plant, and equipment to reflect the assets at fair market value. The fair value of the facilities was determined using an income approach by applying a discounted cash flow methodology to the updated long-term budgets for each respective plant. The income approach included key inputs such as forecasted merchant power prices, operations and maintenance expense, and discount rates. The resulting fair value is a Level 3 fair value measurement.

Note 10 — Long-term Debt

The Company's borrowings, including short-term and long-term portions, consisted of the following:

	December 31, 2023	December 31, 2022	Interest rate % [(a)(b)]	Letters of Credit Outstanding at December 31, 2023
	(In millions, except rates)			
Intercompany Note with Clearway, Inc.	$ 1	$ 2	5.260	
2028 Senior Notes	850	850	4.750	
2031 Senior Notes	925	925	3.750	
2032 Senior Notes	350	350	3.750	
Clearway Energy LLC and Clearway Energy Operating LLC Revolving Credit Facility, due 2023 [(b)]	—	—	S+1.850	$ 246
Non-recourse project-level debt:	—			
Agua Caliente Solar LLC, due 2037	612	649	2.395-3.633	45
Alta Wind Asset Management LLC, due 2031	11	12	S+2.775	—
Alta Wind I-V lease financing arrangements, due 2034 and 2035	660	709	5.696-7.015	67
Alta Wind Realty Investments LLC, due 2031	20	22	7.000	—
Borrego, due 2024 and 2038	48	51	Various	4
Broken Bow, due 2031	41	45	S+2.100	6
Buckthorn Solar, due 2025	116	119	S+2.100	20
Carlsbad Energy Holdings LLC, due 2027	93	115	S+1.900	63
Carlsbad Energy Holdings LLC, due 2038	407	407	4.120	—
Carlsbad Holdco, LLC, due 2038	195	197	4.210	5
Cedro Hill, due 2024 and 2029	165	82	S+1.375	—
Crofton Bluffs, due 2031	27	29	S+2.100	3
CVSR, due 2037	601	627	2.339-3.775	—
CVSR Holdco Notes, due 2037	152	160	4.680	12
Daggett 2, due 2028	156	—	S+1.762	36
Daggett 3, due 2028	217	—	S+1.762	43
DG-CS Master Borrower LLC, due 2040	385	413	3.510	30
Mililani I, due 2027 [(c)]	—	47	S+1.600	—
Mililani Class B Member Holdco LLC, due 2028 [(c)]	92	—	S+1.600	18
NIMH Solar, due 2024	148	163	S+2.275	10
Oahu Solar Holdings LLC, due 2026	81	83	S+1.525	9
Rosie Class B LLC, due 2024 and 2029	347	76	S+ 1.250-1.375	24
Texas Solar Nova 1, due 2028	102	—	S+1.750	55
Utah Solar Portfolio, due 2036	242	257	3.590	155
Viento Funding II, LLC, due 2029	175	184	S+1.475	25
Victory Pass and Arica, due 2024	757	—	S+ 1.125	5
Waiawa, due 2028 [(c)]	—	97	S+ 1.600	—
Other	124	201	Various	63
Subtotal non-recourse project-level debt	5,974	4,745		
Total debt	8,100	6,872		
Less current maturities	(559)	(324)		
Less net debt issuance costs	(65)	(61)		
Add premiums [(d)]	3	4		
Total long-term debt	$ 7,479	$ 6,491		

[(a)] As of December 31, 2023, S+ equals SOFR plus x%.

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

[(c)] On July 21, 2023, Mililani I's financing agreement was amended to merge the project-level debt of Mililani I and Waiawa as a combined term loan under Mililani Class B Member Holdco LLC.

[(d)] Premiums relate to the 2028 Senior Notes.

The financing arrangements listed above contain certain covenants, including financial covenants that the Company is required to be in compliance with during the term of the respective arrangement. Under the project-level financing arrangements, each project is permitted to pay distributions out of available cash as long as certain conditions are satisfied, including that no default under the applicable arrangements has occurred and that each project is otherwise in compliance with all relevant conditions under the financing agreements, including meeting required financial ratios, where applicable. The Company's project-level financing arrangements are non-recourse to the Company, thus, each project pledges its underlying assets as collateral, and if a project is in default of its financing arrangement, then the related lender could demand repayment of the project or enforce their security interests with respect to the pledged collateral.

As of December 31, 2023, the Company was in compliance with all of the required covenants.

Clearway Energy LLC and Clearway Energy Operating LLC Revolving Credit Facility

On March 15, 2023, Clearway Energy Operating LLC refinanced the Amended and Restated Credit Agreement, which (i) replaced LIBOR with SOFR plus a credit spread adjustment of 0.10% as the applicable reference rate, (ii) increased the available revolving commitments to an aggregate principal amount of $700 million, (iii) extended the maturity date to March 15, 2028, (iv) increased the letter of credit sublimit to $594 million and (v) implemented certain other technical modifications.

As of December 31, 2023, the Company had no outstanding borrowings under the revolving credit facility and $246 million in letters of credit outstanding. The facility will continue to be used for general corporate purposes, including financing of future acquisitions and posting letters of credit.

Bridge Loan Agreement

On November 30, 2021, Clearway Energy Operating LLC entered into a senior secured bridge credit agreement, or the Bridge Loan Agreement. The Bridge Loan Agreement provided for a senior secured term loan facility in an aggregate principal amount of $335 million. The borrowings under the term loan facility were used to acquire the Utah Solar Portfolio on December 1, 2021.

On May 3, 2022, the Company repaid the $335 million in outstanding borrowings under the Bridge Loan Agreement utilizing proceeds received from the Thermal Disposition, as further described in Note 3, *Acquisitions and Dispositions*.

Project-level Debt

Texas Solar Nova 1

On December 28, 2023, as part of the acquisition of Texas Solar Nova 1, as further described in Note 3, *Acquisitions and Dispositions*, the Company assumed the project's financing agreement, which included a $90 million construction loan, $109 million sponsor equity bridge loan and $151 million tax equity bridge loan, offset by $1 million in unamortized debt issuance costs. At acquisition date, the tax equity investor contributed $148 million, which was utilized, along with the Company's entire purchase price that was contributed back to the Company by CEG and the proceeds from the cash equity investor, to repay the $109 million sponsor equity bridge loan, to repay the $151 million tax equity bridge loan, to fund $18 million in construction completion reserves, which is included in restricted cash on the Company's consolidated balance sheet, and to pay $5 million in associated fees with the remaining $9 million distributed back to CEG. Also at acquisition date, the $90 million construction loan was converted into a term loan in the amount of $102 million, which includes an additional borrowing of $12 million.

Cedro Hill Repowering

On December 12, 2023, the Company entered into a financing agreement for non-recourse debt for a total commitment of $254 million, which consists of construction loans, a tax equity bridge loan and a sponsor equity bridge loan, related to the repowering of the Cedro Hill wind project. The Company's initial borrowing of $165 million was utilized to repay the $72 million of outstanding principal under the original financing agreement, to pay $55 million to Clearway Renew for the future delivery of equipment, which is included in other non-current assets on the Company's consolidated balance sheet, to pay $27 million to a third party for the future delivery of equipment, which is included in other non-current assets on the Company's balance sheet, to pay a $4 million development services fee to Clearway Renew, to pay for $4 million in debt issuance costs that were deferred and to pay for $3 million in capital expenditures.

Victory Pass and Arica

On October 31, 2023, as part of the acquisition of Victory Pass and Arica, as further described in Note 3, *Acquisitions and Dispositions*, the Company assumed the project's financing agreement, which included a $483 million sponsor equity bridge loan and a $385 million tax equity bridge loan, offset by $4 million in unamortized debt issuance costs. A partial payment of $133 million was made on the sponsor equity bridge loan at acquisition date utilizing all of the proceeds from the Company, which were contributed back to the Company by CEG, and the contribution from the cash equity investor. The tax equity bridge loan and the remaining sponsor equity bridge loan will be repaid with the final proceeds received from the tax equity investor and cash equity investor upon Victory Pass and Arica reaching substantial completion, which is expected to occur in the first half of 2024, along with the $100 million that was contributed into escrow by the tax equity investor at acquisition date, which is included in restricted cash on the Company's consolidated balance sheet. Subsequent to the acquisition, the Company borrowed an additional $22 million in tax equity bridge loans.

Daggett 2

On August 30, 2023, as part of the acquisition of Daggett 2, as further described in Note 3, *Acquisitions and Dispositions*, the Company assumed the project's financing agreement, which included a $107 million construction loan and a $204 million tax equity bridge loan, offset by $3 million in unamortized debt issuance costs. On December 22, 2023, when the project reached substantial completion, the tax equity investor contributed an additional $202 million, which was utilized, along with the $120 million in escrow and $10 million in construction loan proceeds, to repay the $204 million tax equity bridge loan, to fund $36 million in construction completion reserves, which is included in restricted cash on the Company's consolidated balance sheet, and to pay $1 million in associated fees with the remaining $91 million distributed to CEG. Subsequent to the acquisition, the Company borrowed an additional $49 million in construction loans and the total outstanding construction loans were converted to a term loan in the amount of $156 million on December 22, 2023.

Rosamond Central (Rosie Class B LLC)

On June 30, 2023, Rosie Class B LLC, the indirect owner of the Rosamond Central solar project, amended its financing agreement to provide for (i) a refinanced term loan in the amount of $77 million, (ii) construction loans up to $115 million, which will convert to a term loan upon the BESS project reaching substantial completion, (iii) tax equity bridge loans up to $188 million, which will be repaid with tax equity proceeds received upon the BESS project reaching substantial completion, (iv) an increase to the letter of credit sublimit to $41 million and (v) an extension of the maturity date of the term loan and construction loans to five years subsequent to term conversions. During the year ended December 31, 2023, Rosie Class B LLC received total loan proceeds of $265 million, which was comprised of $115 million in construction loans and $155 million in tax equity bridge loans, net of $5 million in debt issuance costs that were deferred.

On July 3, 2023, Rosie Class B LLC issued a loan to Clearway Renew, utilizing a portion of the loan proceeds under the amended financing agreement, in order to finance the construction of the BESS project. On December 1, 2023, the Rosamond Central solar project acquired the BESS project from Clearway Renew for initial cash consideration of $70 million, as further discussed in Note 3, *Acquisitions and Dispositions*, and Clearway Renew utilized the funds to partially repay the loan. As of December 31, 2023, the loan had an aggregate principal amount of $174 million. The loan bears interest at a fixed annual rate of 9.00% and matures when the project reaches substantial completion, which is expected to occur in the first half of 2024 and is included in note receivable — affiliate on the Company's consolidated balance sheet.

Also, during the year ended December 31, 2023, the Company utilized a portion of the loan proceeds received under the amended financing agreement to contribute $18 million into Rosie Central BESS, which is an investment accounted for under the equity method of accounting, as further described in Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*.

Daggett 3

On February 17, 2023, as part of the acquisition of Daggett 3, as further described in Note 3, *Acquisitions and Dispositions*, the Company assumed the project's financing agreement, which included a $181 million construction loan, a $229 million tax equity bridge loan and a $75 million sponsor equity bridge loan, offset by $5 million in unamortized debt issuance costs. The sponsor equity bridge loan was repaid at acquisition date, along with $8 million in associated fees, utilizing all of the proceeds from the Company, which were contributed back to the Company by CEG, and the contribution from the cash equity investor. On December 1, 2023, when the project reached substantial completion, the tax equity investor contributed an additional $252 million, which was utilized along with the $69 million in escrow, to repay the $229 million tax equity bridge loan, to fund $40 million in construction completion reserves, which is included in restricted cash on the Company's consolidated balance sheet, and to pay $7 million in associated fees with the remaining $45 million distributed to CEG. Subsequent to the acquisition, the Company borrowed an additional $36 million in construction loans and the total outstanding construction loans were converted to a term loan in the amount of $217 million on December 1, 2023.

El Segundo Energy Center

On December 15, 2022, the Company repaid the outstanding project-level debt of El Segundo Energy Center in the amount of approximately $130 million, utilizing cash on hand. The project-level debt had an original maturity of August 2023.

Capistrano Wind Portfolio

On August 22, 2022, as part of the acquisition of the Capistrano Wind Portfolio, as further described in Note 3, *Acquisitions and Dispositions*, the Company assumed non-recourse project-level debt totaling $164 million held by the Broken Bow, Cedro Hill and Crofton Bluffs wind projects, which is net of $2 million in previously deferred unamortized debt issuance costs. As discussed above, in connection with the Company's entry into a new financing agreement related to the repowering of the Cedro Hill wind project, the Company repaid $72 million of outstanding principal under the original financing agreement.

Mililani I and Waiawa

On October 3, 2022, as part of the acquisition of Waiawa, as further described in Note 3, *Acquisitions and Dispositions*, the Company assumed the project's financing agreement, which included a $22 million construction loan, a $55 million tax equity bridge loan and a $27 million sponsor equity bridge loan, offset by $1 million in unamortized debt issuance costs. The sponsor equity bridge loan was repaid at acquisition date, along with $2 million in associated fees, utilizing $12 million from the cash equity investor, as well as $16 million of the Company's purchase price, which was contributed back by CEG. On March 30, 2023, when the project reached substantial completion, the tax equity investor contributed an additional $41 million and CEG contributed an additional $8 million, which was utilized, along with the $17 million in escrow, to repay the $55 million tax equity bridge loan, to fund $10 million in construction completion reserves and to pay $1 million in associated fees. Subsequent to the acquisition, the Company borrowed an additional $25 million in construction loans and the total outstanding construction loans were converted to a term loan in the amount of $47 million on March 30, 2023.

On March 25, 2022, as part of the acquisition of Mililani I, as further described in Note 3, *Acquisitions and Dispositions*, the Company assumed the project's financing agreement, which included a $16 million construction loan, a $60 million tax equity bridge loan and a $27 million sponsor equity bridge loan, offset by $3 million in unamortized debt issuance costs. The sponsor equity bridge loan was repaid at acquisition date, along with $2 million in associated fees, utilizing $14 million from the cash equity investor, as well as $15 million of the Company's purchase price, which was contributed back by CEG. On December 7, 2022, when the project reached substantial completion, the tax equity investor contributed an additional $42 million and CEG contributed an additional $11 million, which was utilized, along with the $18 million in escrow, to repay the $60 million tax equity bridge loan, to fund $7 million in construction completion reserves and to pay $4 million in associated fees. Subsequent to the acquisition, the Company borrowed an additional $32 million in construction loans and the total outstanding construction loans were converted to a term loan in the amount of $48 million on December 7, 2022.

On July 21, 2023, Mililani I's financing agreement was amended to merge the project-level debt of Mililani I and Waiawa as a combined term loan under Mililani Class B Member Holdco LLC that matures on July 21, 2028.

Viento Funding II, LLC

On March 16, 2022, the Company, through its indirect subsidiary, Viento Funding II, LLC, entered into a financing agreement which included the issuance of a $190 million term loan as well as $35 million in letters of credit, supported by the Company's interests in the Elkhorn Ridge, Laredo Ridge, San Juan Mesa and Taloga wind projects. The proceeds from the term loan were used to pay off the existing debt in the amount of $186 million related to Laredo Ridge, Tapestry Wind LLC and Viento Funding II, LLC and to pay related financing costs. The Company recorded a loss on debt extinguishment of $2 million to expense unamortized debt issuance costs.

Interest Rate Swaps — Project Financings

Many of the Company's project subsidiaries entered into interest rate swaps, intended to hedge the risks associated with interest rates on non-recourse project level debt. These swaps amortize in proportion to their respective loans and are floating for a fixed rate where the project subsidiary pays its counterparty the equivalent of a fixed interest payment on a predetermined notional amount and will receive quarterly the equivalent of a floating interest payment based on the same notional amount. All interest rate swap payments by the project subsidiary and its counterparty are made quarterly and the SOFR is determined in advance of each interest period.

The following table summarizes the swaps, some of which are forward starting as indicated, related to the Company's project level debt:

	% of Principal	Fixed Interest Rate	Floating Interest Rate	Notional Amount at December 31, 2023 (In millions)	Effective Date	Maturity Date
Avra Valley	85 %	2.20 %	SOFR	$ 29	March 31, 2023	January 31, 2031
Alta Wind Asset Management	100 %	2.22 %	SOFR	11	May 22, 2013	May 15, 2031
Borrego	100 %	0.21 %	SOFR	3	June 30, 2020	December 31, 2024
Broken Bow	90 %	Various	SOFR	37	Various	Various
Buckthorn Solar	80 %	Various	SOFR	93	February 28, 2018	December 31, 2041
Carlsbad Energy Holdings	100 %	Various	SOFR	93	Various	September 30, 2027
Cedro Hill	86 %	Various	SOFR	142	December 12, 2023	Various
Crofton Bluffs	90 %	Various	SOFR	24	Various	Various
Daggett 2	90 %	2.22 %	SOFR	141	August 3, 2022	March 31, 2043
Daggett 3	86 %	1.91 %	SOFR	186	Various	September 30, 2043
Kansas South	75 %	1.93 %	SOFR	12	June 28, 2013	December 31, 2030
Mililani Class B	98 %	Various	SOFR	90	Various	Various
NIMH Solar	100 %	Various	SOFR	148	September 30, 2020	Various
Oahu Solar	96 %	2.47 %	SOFR	77	November 30, 2019	October 31, 2040
Rosie Class B	53 %	Various	SOFR	182	Various	Various
South Trent	90 %	Various	SOFR	22	June 14, 2019	June 30, 2028
Texas Solar Nova 1	94 %	2.92 %	SOFR	97	October 31, 2022	June 30, 2043
Viento Funding II	90 %	2.53 %	SOFR	158	Various	December 31, 2032
Victory Pass and Arica	122 %	4.18 %	SOFR	922	November 30, 2022	January 31, 2024
Total				$ 2,467		

Annual Maturities

Annual payments based on the maturities of the Company's debt, for the years ending after December 31, 2023, are as follows:

	(In millions)
2024 [(a)]	$ 1,670
2025	371
2026	351
2027	288
2028	1,662
Thereafter	3,758
Total	$ 8,100

[(a)] At December 31, 2023, amount includes $1.11 billion of construction-related financings recorded in long-term debt on the Company's consolidated balance sheet that is due in 2024 and is either being funded through long-term equity contributions or is converting to long-term debt.

Note 11 — Members' Equity

The following table lists the distributions paid on the Company's Class A, Class B, Class C and Class D units during the year ended December 31, 2023:

	Fourth Quarter 2023	Third Quarter 2023	Second Quarter 2023	First Quarter 2023
Distributions per Class A and Class B units	$ 0.3964	$ 0.3891	$ 0.3818	$ 0.3745
Distributions per Class C and Class D units	0.3964	0.3891	0.3818	0.3745

On February 14, 2024, the Company declared a quarterly distribution on its Class A, Class B, Class C and Class D units of $0.4033 per unit payable on March 15, 2024.

In addition to the quarterly distributions, the Company paid $51 million in additional distributions, $30 million of which was distributed to Clearway, Inc. and $21 million of which was distributed to CEG, during the year ended December 31, 2023, in order for Clearway, Inc. to make certain additional tax payments primarily associated with the sale of the Thermal Business.

Note 12 — Segment Reporting

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

Approximately 50% of the Company's operating revenues and assets relate to operations located in California. Also, the Company generated more than 10% of its revenues from the following customers for the years ended December 31, 2023, 2022 and 2021:

	2023		2022		2021	
Customer	Conventional	Renewables	Conventional	Renewables	Conventional	Renewables
SCE	11%	13%	17%	17%	17%	16%
PG&E	4%	13%	10%	15%	10%	13%

(In millions)	Year ended December 31, 2023			
	Conventional Generation	Renewables	Corporate [a]	Total
Operating revenues	$ 420	$ 894	$ —	$ 1,314
Cost of operations, exclusive of depreciation, amortization and accretion shown separately below	154	321	(2)	473
Depreciation, amortization and accretion	129	397	—	526
Impairment losses	—	12	—	12
General and administrative	—	—	35	35
Transaction and integration costs	—	—	4	4
Operating income (loss)	137	164	(37)	264
Equity in earnings of unconsolidated affiliates	3	9	—	12
Other income, net	4	24	24	52
Loss on debt extinguishment	—	(6)	—	(6)
Interest expense	(35)	(205)	(97)	(337)
Income (loss) before income taxes	109	(14)	(110)	(15)
Income tax benefit	—	(2)	—	(2)
Net Income (Loss)	109	(12)	(110)	(13)
Net Income (Loss) Attributable to Clearway Energy LLC	$ 109	150	$ (110)	$ 149
Balance Sheet				
Equity investments in affiliates	$ 79	$ 281	$ —	$ 360
Capital expenditures [b]	11	146	—	157
Total Assets	$ 2,058	$ 12,205	$ 425	$ 14,688

[a] Includes eliminations.
[b] Includes accruals.

(In millions)	Year ended December 31, 2022				
	Conventional Generation	Renewables	Thermal	Corporate [(a)]	Total
Operating revenues	$ 417	$ 696	$ 77	$ —	$ 1,190
Cost of operations, exclusive of depreciation, amortization and accretion shown separately below	89	298	50	(2)	435
Depreciation, amortization and accretion	131	381	—	—	512
Impairment losses	—	16	—	—	16
General and administrative	—	—	2	36	38
Transaction and integration costs	—	—	—	7	7
Development costs	—	—	2	—	2
Total operating costs and expenses	220	695	54	41	1,010
Gain on sale of business	—	—	—	1,292	1,292
Operating income	197	1	23	1,251	1,472
Equity in earnings of unconsolidated affiliates	3	26	—	—	29
Other income, net	1	6	—	10	17
Loss on debt extinguishment	—	(2)	—	—	(2)
Interest expense	(40)	(87)	(6)	(99)	(232)
Income (loss) before income taxes	161	(56)	17	1,162	1,284
Income tax expense	—	2	—	—	2
Net Income (Loss)	161	(58)	17	1,162	1,282
Net Income Attributable to Clearway Energy LLC	$ 161	$ 49	$ 17	$ 1,161	$ 1,388
Balance Sheet					
Equity investments in affiliates	$ 82	$ 282	$ —	$ —	$ 364
Capital expenditures [(b)(c)]	11	33	11	1	56
Total Assets	$ 2,251	$ 9,515	$ —	$ 546	$ 12,312

(a) Includes eliminations.
(b) Includes accruals.
(c) Thermal capital expenditures, including accruals, prior to the sale of the Thermal Business on May 1, 2022.

(In millions)	Year ended December 31, 2021				
	Conventional Generation	Renewables	Thermal	Corporate [(a)]	Total
Operating revenues	$ 441	$ 641	$ 204	$ —	$ 1,286
Cost of operations, exclusive of depreciation, amortization and accretion shown separately below	90	229	134	(2)	451
Depreciation, amortization and accretion	132	354	23	—	509
Impairment losses	—	6	—	—	6
General and administrative	—	—	4	34	38
Transaction and integration costs	—	—	—	7	7
Development costs	—	—	4	2	6
Operating income (loss)	219	52	39	(41)	269
Equity in earnings of unconsolidated affiliates	6	26	—	—	32
Other income, net	—	2	1	—	3
Loss on debt extinguishment	—	(1)	—	(52)	(53)
Interest expense	(53)	(142)	(18)	(99)	(312)
Income (loss) before income taxes	172	(63)	22	(192)	(61)
Income tax expense	—	2	—	—	2
Net Income (Loss)	172	(65)	22	(192)	(63)
Net Income (Loss) Attributable to Clearway Energy LLC	$ 172	$ 109	$ 22	$ (193)	$ 110

(a) Includes eliminations.

Note 13 — Related Party Transactions

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

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

Various wholly-owned subsidiaries of the Company in the Renewables segment are party to services agreements with Clearway Renewable Operation & Maintenance LLC, or RENOM, a wholly-owned subsidiary of CEG, which provides operation and maintenance, or O&M, services to these subsidiaries. The Company incurred total expenses for these services of $73 million, $71 million and $56 million for the years ended December 31, 2023, 2022 and 2021, respectively. There was a balance of $13 million and $14 million due to RENOM as of December 31, 2023 and 2022, respectively.

Administrative Services Agreements by and between the Company and CEG

Various wholly-owned subsidiaries of the Company are parties to services agreements with Clearway Asset Services LLC and Clearway Solar Asset Management LLC, two wholly-owned subsidiaries of CEG, which provide various administrative services to the Company's subsidiaries. The Company incurred expenses under these agreements of $20 million, $16 million and $14 million for the years ended December 31, 2023, 2022 and 2021, respectively. There was a balance of $2 million and $3 million due to CEG as of December 31, 2023 and 2022, respectively.

CEG Master Services Agreements

The Company is a party to the CEG Master Services Agreements, pursuant to which CEG and certain of its affiliates or third-party service providers provide certain services to the Company, including operational and administrative services, which include human resources, information systems, cybersecurity, external affairs, accounting, procurement and risk management services, and the Company provides certain services to CEG, including accounting, internal audit, tax and treasury services, in exchange for the payment of fees in respect of such services. The Company incurred net expenses of $5 million under these agreements for each of the years ended December 31, 2023 and 2022 and $4 million for the year ended December 31, 2021.

Note 14 — Commitments and Contingencies

Gas and Transportation Commitments

The Company previously entered into contractual arrangements to procure power, fuel and associated transportation services for the Thermal Business, which was sold to KKR on May 1, 2022, as further discussed in Note 3, *Acquisitions and Dispositions*. Under these arrangements, the Company purchased $20 million and $40 million for the years ended December 31, 2022 and 2021, respectively.

Contingencies

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

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

Buckthorn Solar Litigation

On October 8, 2019, the City of Georgetown, Texas, or Georgetown, filed a petition in the District Court of Williamson County, Texas naming Buckthorn Westex, LLC, the Company's subsidiary that owns the Buckthorn Westex solar project, as the defendant, alleging fraud by nondisclosure and breach of contract in connection with the project and the PPA, and seeking (i) rescission and/or cancellation of the PPA, (ii) declaratory judgment that the alleged breaches constitute an event of default under the PPA entitling Georgetown to terminate, and (iii) recovery of all damages, costs of court, and attorneys' fees. On November 15, 2019, Buckthorn Westex filed an original answer and counterclaims (i) denying Georgetown's claims, (ii) alleging Georgetown has breached its contracts with Buckthorn Westex by failing to pay amounts due, and (iii) seeking relief in the form of (x) declaratory judgment that Georgetown's alleged failure to pay amounts due constitute breaches of and an event of default under the PPA and that Buckthorn did not commit any events of default under the PPA, (y) recovery of costs, expenses, interest, and attorneys' fees, and (z) such other relief to which it is entitled at law or in equity. On November 14, 2023, the two parties entered into a settlement agreement to resolve all claims related to this litigation, following which settlement the claims were dismissed by the court with prejudice. The amounts paid pursuant to the settlement agreement had an immaterial impact to the Company's financial statements.

Note 15 — Leases

Accounting for Leases

The Company evaluates each arrangement at inception to determine if it contains a lease. Substantially all of the Company's leases are operating leases.

Lessee

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

The Company's leases consist of land leases for numerous operating asset locations, real estate leases and equipment leases. The terms and conditions for these leases vary by the type of underlying asset. Certain of these leases have both lease and non-lease components and the Company has elected to apply the practical expedient to not separate these components.

Lease expense was comprised of the following:

	Year Ended December 31,		
(In millions)	**2023**	**2022**	**2021**
Operating lease cost - Fixed	$ 40	$ 36	$ 27
Operating lease cost - Variable	11	11	15
Total lease cost	$ 51	$ 47	$ 42

Operating lease information was as follows:

(In millions, except term and rate)	December 31, 2023	December 31, 2022
Right-of-use assets - operating leases, net [(a)]	$ 597	$ 527
Short-term lease liability - operating leases [(b)]	$ 7	$ 6
Long-term lease liability - operating leases [(a)]	627	548
Total lease liabilities	$ 634	$ 554
Weighted average remaining lease term (in years)	28	27
Weighted average discount rate	4.2 %	4.1 %
Cash paid for operating leases	$ 30	$ 28

[(a)] Increases in right-of-use assets and long-term lease liabilities are primarily due to Drop Down Asset acquisitions, as further described in Note 3, *Acquisitions and Dispositions*.

[(b)] Short-term lease liability balances are included within the accrued expenses and other current liabilities line item of the consolidated balance sheets as of December 31, 2023 and 2022.

Minimum future rental payments of operating lease liabilities as of December 31, 2023 are as follows:

	(In millions)
2024	$ 34
2025	34
2026	35
2027	36
2028	36
Thereafter	980
Total lease payments	1,155
Less imputed interest	(521)
Total lease liability - operating leases	$ 634

The Company is party to various land lease agreements with wholly-owned subsidiaries of CEG that are accounted for as operating leases. The following table summarizes the land lease agreements:

(In millions)	Right-of-use assets, net	Long-term lease liabilities	Lease expiration
As of December 31, 2023			
Daggett 2	$ 22	$ 23	June 30, 2058
Daggett 3	31	33	December 18, 2062
Mililani I	19	20	March 31, 2057
Oahu Solar [(a)]	17	20	August 1, 2057
Rosamond Central [(a)]	11	12	March 31, 2056
As of December 31, 2022			
Mililani I	$ 19	$ 20	
Oahu Solar [(a)]	17	20	
Rosamond Central [(a)]	11	12	

[(a)] The Company has the ability to extend each of these leases for two additional five-year periods.

Lessor

The majority of the Company's revenue is obtained through PPAs or other contractual agreements that are accounted for as leases. These leases are comprised of both fixed payments and variable payments contingent upon volumes or performance metrics. The terms of the Company's leases are further described in Item 2 — *Properties* of this Form 10-K. Many of the leases have renewal options at the end of the lease term. Termination may be allowed under specific circumstances in the lease arrangements, such as under an event of default. All but one of the Company's active leases are operating leases. This sales-type lease is further described below. Certain of these operating leases have both lease and non-lease components, and the Company allocates the transaction price to the components based on standalone selling prices.

The following amounts of energy, capacity and other revenue are related to the Company's operating leases:

December 31, 2023	Conventional Generation	Renewables	Total
		(In millions)	
Energy revenue	$ 4	$ 760	$ 764
Capacity revenue	249	20	269
Other revenue [a]	21	—	21
Operating revenues	$ 274	$ 780	$ 1,054

[a] On May 31, 2023, the Marsh Landing Black Start addition reached commercial operations and the Company will receive an annual fixed fee over a five-year term under the related agreement. The agreement was determined to be a sales-type lease resulting in the Company recording a lease receivable of $21 million included in total operating revenues, offset by net investment costs of $13 million included in cost of operations, resulting in a net pre-tax profit of $8 million. The lease receivable is included in other current and non-current assets on the Company's consolidated balance sheet.

December 31, 2022	Conventional Generation	Renewables	Thermal	Total
		(In millions)		
Energy revenue	$ 6	$ 809	$ 1	$ 816
Capacity revenue	435	—	—	435
Operating revenues	$ 441	$ 809	$ 1	$ 1,251

December 31, 2021	Conventional Generation	Renewables	Thermal	Total
		(In millions)		
Energy revenue	$ 9	$ 716	$ 2	$ 727
Capacity revenue	455	—	—	455
Operating revenues	$ 464	$ 716	$ 2	$ 1,182

Minimum future rent payments for the remaining periods related to the Company's operating leases as of December 31, 2023 were as follows:

	(In millions)
2024	$ 146
2025	147
2026	148
2027	149
2028	150
Thereafter	1,635
Total lease payments	$ 2,375

Property, plant and equipment, net related to the Company’s operating leases were as follows:

(In millions)	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 5,720	$ 8,630
Accumulated depreciation	(1,991)	(2,855)
Net property, plant and equipment	$ 3,729	$ 5,775

Schedule I

Clearway Energy LLC (Parent)

Condensed Financial Information of Registrant

Condensed Statements of Income

	Year ended December 31,		
(In millions)	**2023**	**2022**	**2021**
Total operating costs and expenses	$ —	$ 1	$ —
Equity in earnings of consolidated subsidiaries	126	1,379	110
Interest income	23	10	—
Total other income	149	1,389	110
Net Income Attributable to Clearway Energy LLC	$ 149	$ 1,388	$ 110

See accompanying notes to condensed financial statements.

Clearway Energy LLC (Parent)

Condensed Balance Sheets

	December 31, 2023	December 31, 2022
ASSETS	(In millions)	
Current Assets		
Cash and cash equivalents	$ 410	$ 536
Other current assets	1	1
Other Assets		
Investment in consolidated subsidiaries	1,934	2,034
Total Assets	$ 2,345	$ 2,571
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable — affiliates	$ 3	$ 1
Other Liabilities		
Other non-current liabilities	1	1
Total Liabilities	4	2
Commitments and Contingencies		
Members' Equity		
Contributed capital	1,299	1,308
Retained earnings	1,027	1,240
Accumulated other comprehensive income	15	21
Total Members' Equity	2,341	2,569
Total Liabilities and Members' Equity	$ 2,345	$ 2,571

See accompanying notes to condensed financial statements.

Schedule I

Clearway Energy LLC (Parent)

Condensed Statements of Cash Flows

	Years ended December 31,		
	2023	2022	2021
	(In millions)		
Cash Flows from Operating Activities			
Net Cash Provided by Operating Activities	$ 23	$ 8	$ —
Cash Flows from Investing Activities			
Investments in consolidated affiliates	209	845	202
Net Cash Provided by Investing Activities	209	845	202
Cash Flows from Financing Activities			
Receipt (transfer) of funds under intercompany cash management arrangement	4	(42)	(20)
Tax-related distributions	(51)	(19)	—
Payments of distributions	(311)	(289)	(268)
Net Cash Used in Financing Activities	(358)	(350)	(288)
Net (Decrease) Increase in Cash and Cash Equivalents	(126)	503	(86)
Cash and Cash Equivalents at Beginning of Period	536	33	119
Cash and Cash Equivalents at End of Period	$ 410	$ 536	$ 33

See accompanying notes to condensed financial statements.

Clearway Energy LLC (Parent)

Notes to Condensed Financial Statements

Note 1 — Background and Basis of Presentation

Background

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

The Company is one of the largest renewable energy owners in the U.S. with approximately 6,000 net MW of installed wind, solar and energy storage projects. The Company's approximately 8,500 net MW of assets includes approximately 2,500 net MW of environmentally-sound, highly efficient natural gas-fired generation facilities. Through this environmentally-sound, diversified and primarily contracted portfolio, the Company endeavors to increase distributions to its unit holders. The majority of the Company's revenues are derived from long-term contractual arrangements for the output or capacity from these assets.

Clearway Energy, Inc., or Clearway, Inc., consolidates the results of Clearway Energy LLC through its controlling interest, with CEG's interest shown as noncontrolling interest in the financial statements. The holders of Clearway, Inc.'s outstanding shares of Class A and Class C common stock are entitled to dividends as declared. CEG receives its distributions from Clearway Energy LLC through its ownership of Clearway Energy LLC Class B and Class D units. From time to time, CEG may also hold shares of Clearway Inc's Class A and/or Class C common stock.

As of December 31, 2023, Clearway, Inc. owned 57.90% of the economic interests of the Company, with CEG owning 42.10% of the economic interests of the Company. For further discussion, see Note 11, *Members' Equity.*

Basis of Presentation

The condensed parent-only company financial statements have been prepared in accordance with Rule 12-04 of Regulation S-X, as the restricted net assets of Clearway Energy LLC's subsidiaries exceed 25% of the consolidated net assets of Clearway Energy LLC. The parent's 100% investment in its subsidiaries has been recorded using the equity basis of accounting in the accompanying condensed parent-only financial statements. These statements should be read in conjunction with the consolidated financial statements and notes thereto of Clearway Energy LLC.

Note 2 — Long-Term Debt

For a discussion of Clearway Energy LLC's financing arrangements, see Note 10, *Long-term Debt,* to the Company's consolidated financial statements.

Note 3 — Commitments, Contingencies and Guarantees

See Note 14, *Commitments and Contingencies,* to the Company's consolidated financial statements for a detailed discussion of Clearway Energy LLC's commitments and contingencies.

Note 4 — Distributions

Cash distributions paid on the Company's Class A, Class B, Class C and Class D units, were $311 million, $289 million, and $268 million for the years ended December 31, 2023, 2022, and 2021, respectively.

EXHIBIT INDEX

Number	Description	Method of Filing
2.3	Purchase and Sale Agreement, dated as of November 19, 2020, by and between NRG Solar Sunrise LLC and Clearway AC Solar Holdings LLC.	Incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on November 20, 2020.
3.1	Certificate of Formation of NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 3.01(a) to the Company's Registration Statement on Form S-4 filed on April 13, 2015.
3.2	Certificate of Amendment of Certificate of Formation of NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 3.01(b) to the Company's Registration Statement on Form S-4 filed on April 13, 2015.
3.3	Third Amended and Restated Limited Liability Company Agreement of Clearway Energy Operating LLC.	Incorporated herein by reference to Exhibit 3.3. to the Company's Annual Report on Form 10-K filed on February 28, 2019.
3.4	Certificate of Formation of NRG Yield LLC.	Incorporated herein by reference to Exhibit 3.03(a) to the Company's Registration Statement on Form S-4 filed on April 13, 2015.
3.5	Certificate of Amendment of Certificate of Formation of NRG Yield LLC.	Incorporated herein by reference to Exhibit 3.03(b) to the Company's Registration Statement on Form S-4 filed on April 13, 2015.
3.6	Fourth Amended and Restated Limited Liability Company Agreement of NRG Yield LLC, dated as of August 31, 2018, by and between NRG Yield, Inc. and Zephyr Renewables LLC.	Incorporated herein by reference to Exhibit 10.6 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on September 5, 2018.
4.1	Indenture, dated December 11, 2019, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company, as trustee.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 12, 2019.
4.2	Form of 4.750% Senior Note due 2028.	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on December 12, 2019.
4.3	First Supplemental Indenture, dated as of January 6, 2020, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on January 8, 2020.
4.4	Second Supplemental Indenture, dated as of February 26, 2020, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on March 3, 2020.
4.5	Third Supplemental Indenture, dated as of July 17, 2020, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on July 21, 2020.
4.6	Fourth Supplemental Indenture, dated as of August 17, 2020, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on August 20, 2020.
4.7	Fifth Supplemental Indenture, dated as of November 18, 2020, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on November 19, 2020.
4.8	Sixth Supplemental Indenture, dated as of December 1, 2020, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on December 4, 2020.
4.9	Seventh Supplemental Indenture, dated as of December 23, 2020, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on December 29, 2020.
4.10	Eighth Supplemental Indenture, dated as of February 3, 2021, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on February 5, 2021.
4.11	Indenture, dated March 9, 2021, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company, as trustee.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 9, 2021.
4.12	Form of 3.750% Senior Notes due 2031.	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on March 9, 2021.
4.13	Ninth Supplemental Indenture, dated as of May 14, 2021, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on May 19, 2021.
4.14	First Supplemental Indenture, dated as of May 14, 2021, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on May 19, 2021.

4.15	Indenture, dated October 1, 2021, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company, as trustee.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on October 1, 2021.
4.16	Form of 3.750% Senior Notes due 2032.	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on October 1, 2021.
4.17	Tenth Supplemental Indenture, dated as of October 7, 2021, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on October 8, 2021.
4.18	Second Supplemental Indenture, dated as of October 7, 2021, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on October 8, 2021.
4.19	First Supplemental Indenture, dated as of October 7, 2021, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on October 8, 2021.
4.20	Eleventh Supplemental Indenture, dated as of May 25, 2022, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 1, 2022.
4.21	Third Supplemental Indenture, dated as of May 25, 2022, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on June 1, 2022.
4.22	Second Supplemental Indenture, dated as of May 25, 2022, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on June 1, 2022.
4.23	Twelfth Supplemental Indenture, dated as of February 14, 2023, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on February 21, 2023.
4.24	Fourth Supplemental Indenture, dated as of February 14, 2023, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on February 21, 2023.
4.25	Third Supplemental Indenture, dated as of February 14, 2023, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on February 21, 2023.
10.1	Termination Agreement, dated as of August 31, 2018, by and among NRG Yield, Inc., NRG Yield LLC, NRG Yield Operating LLC and NRG Energy, Inc.	Incorporated herein by reference to Exhibit 10.9 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on September 5, 2018.
10.2.1	Amended and Restated Credit Agreement, dated April 25, 2014, by and among NRG Yield Operating LLC, NRG Yield LLC, Royal Bank of Canada, as Administrative Agent, the lenders party thereto, Royal Bank of Canada, Goldman Sachs Bank USA and Bank of America, N.A., as L/C Issuers and RBC Capital Markets as Sole Left Lead Arranger and Sole Left Lead Book Runner.	Incorporated by reference to Exhibit 10.1 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on April 28, 2014.
10.2.2	First Amendment to Amended & Restated Credit Agreement, dated June 26, 2015, by and among NRG Yield Operating LLC, NRG Yield LLC, Royal Bank of Canada and the Lenders party thereto.	Incorporated herein by reference to Exhibit 10.9 to Clearway Energy, Inc.'s Quarterly Report on Form 10-Q filed on August 4, 2015.
10.2.3	Second Amendment to Amended & Restated Credit Agreement, dated February 6, 2018, by and among NRG Yield Operating LLC, NRG Yield LLC, the guarantors party thereto, Royal Bank of Canada, as Administrative Agent, and the lenders party thereto.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 12, 2018.
10.2.4	Third Amendment to Amended and Restated Credit Agreement and Administrative Agent Resignation and Appointment Agreement, dated as of April 30, 2018, by and among NRG Yield Operating LLC, NRG Yield LLC, the guarantors party thereto, Royal Bank of Canada, as Resigning Administrative Agent, JPMorgan Chase Bank, N.A., as Successor Administrative Agent, and the lenders party thereto.	Incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 3, 2018.
10.2.5	Fourth Amendment to Amended and Restated Credit Agreement, dated as of November 30, 2018, by and among Clearway Energy Operating LLC, Clearway Energy LLC, the guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 6, 2018.
10.2.6	Fifth Amendment to Amended and Restated Credit Agreement, dated as of December 20, 2019, by and among Clearway Energy Operating LLC, Clearway Energy LLC, the guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 23, 2019.

10.2.7	Sixth Amendment to Amended and Restated Credit Agreement, effective as of November 30, 2021, by and among Clearway Energy Operating LLC, Clearway Energy LLC, the guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 1, 2021.
10.2.8	Seventh Amendment to Amended and Restated Credit Agreement, entered into as of August 15, 2022, by and among Clearway Energy Operating LLC, Clearway Energy LLC, the guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 19, 2022.
10.2.9	Eighth Amendment to Amended and Restated Credit Agreement, entered into as of March 15, 2023, by and among Clearway Energy Operating LLC, Clearway Energy LLC, the guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 20, 2023.
10.3^	Amended and Restated Limited Liability Company Agreement of NRG RPV Holdco 1 LLC, dated as of April 9, 2015.	Incorporated herein by reference to Exhibit 10.1 to Clearway Energy, Inc.'s Quarterly Report on Form 10-Q filed on August 4, 2015.
10.4^	Amended and Restated Limited Liability Company Agreement of NRG DGPV Holdco 1 LLC, dated as of May 8, 2015.	Incorporated herein by reference to Exhibit 10.2 to Clearway Energy, Inc.'s Quarterly Report on Form 10-Q filed on August 4, 2015.
10.5^	Amendment No. 1 to Amended and Restated Limited Liability Company Agreement of NRG RPV Holdco 1 LLC, dated as of March 1, 2016, by and between NRG Yield RPV Holding LLC and NRG Residential Solar Solutions LLC.	Incorporated herein by reference to Exhibit 10.1 to Clearway Energy, Inc.'s Quarterly Report on Form 10-Q filed on May 5, 2016.
10.6^	Amendment No. 2 to Amended and Restated Limited Liability Company Agreement of NRG DGPV Holdco 1 LLC, dated as of March 1, 2016, by and among NRG Yield DGPV Holding LLC, NRG Renew DG Holdings LLC and NRG Renew LLC.	Incorporated herein by reference to Exhibit 10.2 to Clearway Energy, Inc.'s Quarterly Report on Form 10-Q filed on May 5, 2016.
10.7^	Amended and Restated Limited Liability Company Agreement of NRG DGPV Holdco 2 LLC, dated as of March 1, 2016, by and among NRG Yield DGPV Holding LLC, NRG Renew DG Holdings LLC, and NRG Renew LLC.	Incorporated herein by reference to Exhibit 10.3 to Clearway Energy, Inc.'s Quarterly Report on Form 10-Q filed on May 5, 2016.
10.8	Amendment No. 2 to Amended and Restated Limited Liability Company Agreement of NRG RPV Holdco 1 LLC, dated as of August 5, 2016, by and between NRG Yield RPV Holding LLC and NRG Residential Solar Solutions LLC.	Incorporated herein by reference to Exhibit 10.1 to Clearway Energy, Inc.'s Quarterly Report on Form 10-Q, filed on August 9, 2016.
10.9	Assignment and Assumption Agreement, effective as of February 26, 2019, among Clearway Energy Operating LLC and GIP III Zephyr Carlsbad Holdings, LLC.	Incorporated herein by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K filed on February 28, 2019.
10.10	Amended and Restated Exchange Agreement, dated as of May 14, 2015, by and among NRG Energy, Inc., NRG Yield, Inc., and NRG Yield LLC and, pursuant to a joinder thereto, dated as of August 31, 2018, Zephyr Renewables LLC.	Incorporated herein by reference to Exhibit 10.1 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on May 15, 2015.
10.11*^	Purchase and Sale Agreement, dated as of April 17, 2020, by and between Clearway Energy Operating LLC and Clearway Renew LLC.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 20, 2020.
10.12*^	Membership Interest Purchase Agreement, dated as of April 17, 2020, by and between Clearway Energy Operating LLC and SP Wind Holdings, LLC.	Incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 20, 2020.
10.13*^	Membership Interest Purchase Agreement, dated as of April 17, 2020, by and between CWSP Wildorado Elbow Holding LLC and Wind TE Holdco LLC.	Incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on April 20, 2020.
10.14†*	Membership Interest Purchase Agreement, dated as of December 21, 2020, by and between Renew Development HoldCo LLC and Rosamond Solar Investment LLC.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 22, 2020.
10.15†*	Membership Interest Purchase Agreement, dated as of December 21, 2020, by and between Clearway Renew LLC and Lighthouse Renewable Class A LLC.	Incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 22, 2020.
10.16†*	Membership Interest Purchase Agreement, dated as of December 21, 2020, by and between Clearway Renew LLC and Lighthouse Renewable Class A LLC.	Incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on December 22, 2020.
10.17*^	Second Amended and Restated Limited Liability Company Agreement of Pinnacle Repowering Partnership LLC, dated as of February 26, 2021.	Incorporated by reference to Exhibit 10.31 to the Company's Annual Report on Form 10-K, filed on March 1, 2021.

10.18	Purchase and Sale Agreement, dated as of August 20, 2021, by and between Dominion Solar Projects III, Inc. and Utah Solar Holdings II LLC.	Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on August 23, 2021.
10.19	Amended and Restated Employment Agreement, dated September 23, 2021, by and between Clearway Energy, Inc. and Christopher Sotos.	Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on September 23, 2021.
10.20	Membership Interest Purchase Agreement, dated as of October 22, 2021, by and between Clearway Energy Operating LLC and KKR Thor Bidco, LLC.	Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on October 26, 2021.
10.21	Senior Secured Bridge Credit Agreement, dated as of November 30, 2021, by and among Clearway Energy Operating LLC, Clearway Energy LLC, the guarantors party thereto, Bank of America, N.A., as administrative agent, and the lenders party thereto.	Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed on December 1, 2021.
10.22*^	First Amendment to Membership Interest Purchase Agreement, dated as of December 17, 2021, by and among Lighthouse Renewable Class A LLC, Clearway Renew LLC and Clearway Energy Operating LLC.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 18, 2022.
10.23*^	First Amendment to Membership Interest Purchase Agreement, dated as of December 29, 2021, by and among Lighthouse Renewable Class A LLC and Clearway Renew LLC.	Incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on January 18, 2022.
10.24†	Clearway Energy, Inc. Involuntary Severance Plan, effective as of January 1, 2022.	Incorporated herein by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on May 5, 2022.
10.25†	Clearway Energy, Inc. Key Management Change-in-Control and General Severance Plan, effective as of January 1, 2022.	Incorporated herein by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on May 5, 2022.
10.26†	Clearway Energy, Inc. Executive Change-in-Control and General Severance Plan, effective as of January 1, 2022.	Incorporated herein by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q filed on May 5, 2022.
10.27*^	Membership Interest Purchase Agreement, dated as of December 23, 2022, by and between VP-Arica CE Seller LLC and VP-Arica Parent Holdco LLC.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 29, 2022.
10.28	Amended and Restated Master Services Agreement, dated as of February 2, 2023, by and among Clearway Energy Group LLC, Clearway Energy, Inc., Clearway Energy LLC and Clearway Energy Operating LLC.	Incorporated herein by reference to Exhibit 10.39 to the Company's Annual Report on Form 10-K, filed on February 23, 2023.
10.29	Amended and Restated Master Services Agreement, dated as of February 2, 2023, by and among Clearway Energy, Inc., Clearway Energy LLC, Clearway Energy Operating LLC and Clearway Energy Group LLC.	Incorporated herein by reference to Exhibit 10.40 to the Company's Annual Report on Form 10-K, filed on February 23, 2023.
10.30*^	Membership Interest Purchase Agreement, dated as of May 19, 2023, by and between Renew Development HoldCo LLC and Cedar Creek Wind Holdco LLC.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 24, 2023.
10.31†	Clearway Energy, Inc. Amended and Restated 2013 Equity Incentive Plan, as amended and restated effective January 1, 2024.	Filed herewith.
10.32†	Clearway Energy, Inc. Annual Incentive Plan, as amended and restated effective January 1, 2024.	Filed herewith.
21.1	Subsidiaries of Clearway Energy LLC.	Filed herewith.
24.1	Power of Attorney.	Included on the signature page of this Annual Report on Form 10-K.
31.1	Rule 13a-14(a)/15d-14(a) certification of Christopher S. Sotos.	Filed herewith.
31.2	Rule 13a-14(a)/15d-14(a) certification of Sarah Rubenstein.	Filed herewith.
32	Section 1350 Certification.	Furnished herewith.
97	Clearway Energy, Inc. Policy on Recoupment of Incentive Compensation.	Filed herewith.
101 INS	Inline XBRL Instance Document.	Filed herewith.
101 SCH	Inline XBRL Taxonomy Extension Schema.	Filed herewith.
101 CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.	Filed herewith.
101 DEF	Inline XBRL Taxonomy Extension Definition Linkbase.	Filed herewith.
101 LAB	Inline XBRL Taxonomy Extension Label Linkbase.	Filed herewith.
101 PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.	Filed herewith.

104	Cover Page Interactive Data File (the cover page interactive data file does not appear in Exhibit 104 because its Inline XBRL tags are embedded within the Inline XBRL document)

† Indicates exhibits that constitute compensatory plans or arrangements.

* This filing excludes schedules pursuant to Item 601(a)(5) of Regulation S-K, which the registrant agrees to furnish supplementary to the Securities and Exchange Commission upon request by the Commission.

^ Information in this exhibit identified by the mark “[***]” is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it (i) is not material and (ii) would likely cause competitive harm to the Registrant if disclosed.

Item 16 — Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CLEARWAY ENERGY LLC
(Registrant)

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

Date: February 22, 2024

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Christopher S. Sotos, Kevin P. Malcarney and Amelia McKeithen, each or any of them, such person's true and lawful attorney-in-fact and agent with full power of substitution and resubstitution for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments to this report on Form 10-K, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary or desirable to be done in and about the premises, as fully to all intents and purposes as such person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures	Title
/s/ CHRISTOPHER S. SOTOS Christopher S. Sotos Date: February 22, 2024	*President and Chief Executive Officer of Clearway Energy LLC (Principal Executive Officer)*
/s/ SARAH RUBENSTEIN Sarah Rubenstein Date: February 22, 2024	*Executive Vice President and Chief Financial Officer of Clearway Energy LLC (Principal Financial and Principal Accounting Officer)*
CLEARWAY ENERGY, INC.	Sole Managing Member
/s/ CHRISTOPHER S. SOTOS Christopher S. Sotos Date: February 22, 2024	*President and Chief Executive Officer of Clearway Energy, Inc.*

Signature	Title	Date
/s/ NATHANIEL ANSCHUETZ Nathaniel Anschuetz	Director of Clearway Energy, Inc. Sole Managing Member of Clearway Energy LLC	February 22, 2024
/s/ JONATHAN BRAM Jonathan Bram	Director of Clearway Energy, Inc. Sole Managing Member of Clearway Energy LLC	February 22, 2024
/s/ BRIAN FORD Brian Ford	Director of Clearway Energy, Inc. Sole Managing Member of Clearway Energy LLC	February 22, 2024
/s/ BRUCE MACLENNAN Bruce MacLennan	Director of Clearway Energy, Inc. Sole Managing Member of Clearway Energy LLC	February 22, 2024
/s/ DANIEL B. MORE Daniel B. More	Director of Clearway Energy, Inc. Sole Managing Member of Clearway Energy LLC	February 22, 2024
/s/ E. STANLEY O’NEAL E. Stanley O’Neal	Director of Clearway Energy, Inc. Sole Managing Member of Clearway Energy LLC	February 22, 2024
/s/ GUILLAUME HÉDIARD Guillaume Hédiard	Director of Clearway Energy, Inc. Sole Managing Member of Clearway Energy LLC	February 22, 2024
/s/ VINCENT STOQUART Vincent Stoquart	Director of Clearway Energy, Inc. Sole Managing Member of Clearway Energy LLC	February 22, 2024
/s/ EMMANUEL BARROIS Emmanuel Barrois	Director of Clearway Energy, Inc. Sole Managing Member of Clearway Energy LLC	February 22, 2024
/s/ CHRISTOPHER S. SOTOS Christopher S. Sotos	Director of Clearway Energy, Inc. Sole Managing Member of Clearway Energy LLC	February 22, 2024
/s/ JENNIFER LOWRY Jennifer Lowry	Director of Clearway Energy, Inc. Sole Managing Member of Clearway Energy LLC	February 22, 2024

Supplemental Information to be Furnished with Reports Filed Pursuant to Section 15(d) of the Act by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Act

No annual report or proxy materials has been sent to securities holders and no such report or proxy material is to be furnished to securities holders subsequent to the filing of the annual report on this Form 10-K.

CLEARWAY ENERGY, INC.
AMENDED AND RESTATED
2013 EQUITY INCENTIVE PLAN

(As Amended and Restated Effective January 1, 2024)

Clearway Energy, Inc. (the "Company") previously established the Clearway Energy, Inc. 2013 Equity Incentive Plan (the "Plan") as of July 16, 2013. The Plan was subsequently amended and restated effective as of May 14, 2015, February 19, 2021, and December 7, 2021 and is hereby amended and restated, effective as of January 1, 2024, to reflect minor technical changes and to incorporate other changes relating to the Clearway Energy, Inc. Policy on Recoupment of Incentive Compensation. Capitalized terms used herein without definition shall have the respective meanings assigned to them in Section 2.

1. Purpose.

The purpose of the Plan shall be to promote the long-term growth and profitability of the Company and its Affiliates by (a) providing certain directors, officers and employees of, and certain other individuals who perform services for, or to whom an offer of employment has been extended by, the Company and its Affiliates with incentives to maximize shareholder value and otherwise contribute to the success of the Company and (b) enabling the Company to attract, retain and reward the best available persons for positions of responsibility. Grants of Incentive Stock Options or Non-qualified Stock Options, Stock Appreciation Rights, either alone or in tandem with Options, Restricted Stock, Restricted Stock Units, Performance Awards, Deferred Stock Units, Other Stock-Based Awards or Other Cash-Based Awards, or any combination of the foregoing (collectively, the "Awards") may be made under the Plan. Notwithstanding any provision of the Plan, to the extent that any Award would be subject to Section 409A of the Code, no such Award may be granted if it would fail to comply with the requirements set forth in Section 409A of the Code and any regulations or guidance promulgated thereunder.

2. Definitions.

(a) "Affiliate" means each of the following: (i) any Subsidiary; (ii) any Parent; (iii) any corporation, trade or business (including, without limitation, a partnership or limited liability company) which is directly or indirectly controlled 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Company or one of its Affiliates; (iv) any corporation, trade or business (including, without limitation, a partnership or limited liability company) which directly or indirectly controls 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) of the Company; and (v) any other entity in which the Company or any of its Affiliates has a material equity interest and which is designated as an "Affiliate" by resolution of the Committee; provided that, unless otherwise determined by the Committee, the Common Stock subject to any Award constitutes "service recipient stock" for purposes of Section 409A of the Code or otherwise does not subject the Award to Section 409A of the Code.

(b) "Awards" has the meaning set forth in Section 1.

(c) "Board" means the board of directors of the Company.

(d) "Cause", means, as to any Participant (a) "Cause", as defined in the Participant's Grant Agreement, (b) in the absence of such definition in the Participant's Grant Agreement, "Cause", as defined in any employment, consulting or similar agreement between the Participant and the Company or an Affiliate in effect at the time of the Participant's separation, or (c) in the absence of any such employment, consulting or similar agreement (or the absence of any definition of "Cause" contained therein), the occurrence of any of the following:

(i) the Participant's willful misconduct or gross negligence in the performance of the Participant's duties to the Company or an Affiliate that has or could reasonably be expected to have an adverse effect on the Company or an Affiliate; or

(ii) the Participant's willful failure to perform the Participant's duties to the Company or an Affiliate (other than as a result of death or a physical or mental incapacity); or

(iii) the Participant's indictment for, conviction of, or pleading of guilty or nolo contendere to, a felony or any crime involving moral turpitude; or

(iv) the Participant's performance of any material act of theft, fraud, malfeasance or dishonesty in connection with the performance of the Participant's duties to the Company or an Affiliate; or

(v) the Participant's breach of any written agreement between the Participant and the Company or an Affiliate, or the Participant's violation of the Company's code of conduct or other written policy; or

(vi) the Participant's engagement in a Detrimental Activity.

For purposes of the Plan, no such termination for Cause may be made pursuant to subsections (i), (ii) and (v) above, until the Participant has been given written notice detailing the specific Cause event and a period of thirty (30) days following receipt of such notice to cure such event (if susceptible to cure); provided that, the Participant's right to cure shall not apply if there are egregious, habitual or repeated breaches by the Participant.

(e) "Change in Control" means, unless otherwise defined in a Participant's Grant Agreement, the occurrence of one of the following events:

(i) Any "person" (as that term is used in Sections 13 and 14(d)(2) of the Exchange Act), other than Clearway Energy Group LLC or one of its subsidiaries or affiliates (A) becomes the "beneficial owner" (as that term is used in Section 13(d) of the Exchange Act), directly or indirectly, of 50% or more of either (x) the Company's then-outstanding common stock ("Outstanding Common Stock"), or (y) the Company's then-outstanding capital stock entitled to vote in the election of directors ("Outstanding Voting Stock"), excluding any "person" who becomes a "beneficial owner" in connection with a Business Combination (as defined in paragraph (iii) below) which does not constitute a Change in Control under said paragraph (iii); or (B) obtains the power to, directly or indirectly, vote or cause to be voted 50% or more of the Company's capital stock entitled to vote in the election of directors, including by contract or through proxy; or

(ii) Persons who on the Effective Date (the "Commencement Date") constitute the Board (the "Incumbent Directors") cease for any reason, including without limitation, as a result of a tender offer, proxy contest, merger, or similar transaction, to constitute at least a majority thereof; provided that, any person becoming a director of the Company subsequent to the Commencement Date shall be considered an Incumbent Director if such person's election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors; but provided further that, any such person whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board or other actual or threatened solicitation of proxies or consents by or on behalf of a "person" (as defined in Sections 13(d) and 14(d) of the Exchange Act) other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director; or

(iii) Consummation of a reorganization, merger, consolidation, or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, all or substantially all of the individuals and entities who were the beneficial owners, respectively, of Outstanding Common Stock and the combined voting power of Outstanding Voting Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding shares of common stock and voting securities entitled to vote generally in the election of directors, as the case may be, of the company resulting from such Business Combination (including, without limitation, a company which, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more Subsidiaries) in the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Common Stock and Outstanding Voting Stock of the Company; or

(iv) The shareholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company.

In addition, with respect to any Award that is characterized as "nonqualified deferred compensation" within the meaning of Section 409A of the Code, an event shall not be considered to be a Change in Control under the Plan for purposes of payment of such Award unless such event is also a "change in ownership," a "change in effective control" or a "change in ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code.

(f) "Code" means the Internal Revenue Code of 1986, as amended.

(g) "Committee" means the Compensation Committee of the Board or such other committee which, to the extent required by law, shall consist solely of two or more members of the Board, each of whom is (i) a non-employee director under Rule 16b-3 and (ii) an "independent director" under the rules of any national securities exchange on which the Common Stock is listed for trading; provided that, if for any reason the Committee shall not have been appointed by the Board to administer the Plan, all authority and duties of the Committee under the Plan shall be vested in and exercised by the Board, and the term "Committee" shall be deemed to mean the Board for all purposes herein.

(h) "Common Stock" means the Class A Common Stock, par value $0.01 per share, of the Company (as described in the Company's Amended and Restated Certificate of Incorporation, as it may be amended from time to time); the Class C Common Stock, par value $0.01 per share, of the Company (as described in the Company's Amended and Restated Certificate of Incorporation, as it may be amended from time to time); and any other shares into which such stock may be changed by reason of a recapitalization, reorganization, merger, consolidation or any other change in the corporate structure or capital stock of the Company.

(i) "Company" has the meaning set forth in the introductory paragraph above.

(j) "Confidential Information" means any confidential information or proprietary information, relating to the business of the Company or any of its affiliates.

(k) "Consultant" means any natural person who is an advisor or consultant to the Company or its Affiliates.

(l) "Deferral Period" has the meaning set forth in Section 10.

(m) "Deferred Stock Unit" means any deferred stock unit granted to a Participant or converted from a Restricted Stock Unit at the election of a Participant pursuant to Section 10.

(n) "Detrimental Activity" means a Participant's: (i) disclosure to anyone outside the Company or any of its Affiliates, or the use in any manner other than in the furtherance of the Company's or any of its affiliates' business, without written authorization from the Company, of any Confidential Information; (ii) activity while employed or performing services that results, or if known could result, in the Participant's termination of employment that is classified by the Company as a termination for Cause; (iii) during the Restrictive Period, attempt, directly or indirectly, to solicit, induce or hire (or the identification for solicitation, inducement or hiring of) any employee of the Company or any of its affiliates to be employed by, or to perform services for, the Participant or any Person with which the Participant is associated (including, but not limited to, due to the Participant's employment by, consultancy for, equity interest in, or creditor relationship with such Person) or any Person from which the Participant receives direct or indirect compensation or fees as a result of such solicitation, inducement or hire (or the identification for solicitation, inducement or hire) without, in all cases, written authorization from the Company; (iv) during the Restrictive Period, attempt, directly or indirectly, to solicit in a competitive manner any current or prospective customer of the Company or any of its affiliates without, in all cases, written authorization from the Company; (v) making of negative comments regarding, or otherwise disparaging (or inducing others to do so), the Company, its subsidiaries or parents, or any of their respective officers, directors, employees, shareholders, members, agents or products; (vi) during the Restrictive Period, without written authorization from the Company, rendering of services in the United States for any organization, or engaging, directly or indirectly, in any business, which is competitive with the Company or its affiliates, or rendering of services to such organization or business if such organization or business is otherwise prejudicial to or in conflict with the interests of the Company or any of its affiliates; provided, however, that competitive activities shall only be those competitive with any business unit or affiliate of the Company with regard to which the Participant performed services at any time within the 2 years prior to the Participant's termination of employment; or (vii) material breach of any agreement between the Participant and the Company or any of its Affiliates

(including, without limitation, any employment agreement or any noncompetition, nonsolicitation or other restrictive covenants agreement).

(o) "Disability", unless otherwise defined in a Participant's Grant Agreement, means a disability that would entitle an eligible Participant to payment of monthly disability payments under any Company long-term disability plan or as otherwise determined by the Committee.

(p) "Effective Date" has the meaning set forth in Section 23.

(q) "Eligible Employees" means each employee of the Company or an Affiliate.

(r) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(s) "Fair Market Value" of a share of Common Stock means, as of the date in question, the officially-quoted closing selling price of the applicable class of Common Stock (or if no selling price is quoted, the bid price) on the principal securities exchange on which the Common Stock is then listed for trading (including for this purpose the NYSE) (the "Market") for the applicable trading day (or if there no closing price on such day because the Market is not open on such day, the last preceding day on which the Market was open) or, if the applicable class of Common Stock is not then listed or quoted in the Market, the Fair Market Value shall be the fair value of the applicable class of Common Stock determined in good faith by the Board and, in the case of an Incentive Stock Option, in accordance with Section 422 of the Code; provided, however, that when shares received upon exercise of an Option are immediately sold in the open market, the net sale price received may be used to determine the Fair Market Value of any shares used to pay the exercise price or applicable withholding taxes and to compute the withholding taxes.

(t) "Family Member" has the meaning set forth in General Instructions A.1(a)(5) to Form S-8 under the Securities Act.

(u) "Full Value Award" means an Award, other than an Incentive Stock Option, Non-qualified Stock Option or Stock Appreciation Right, that is settled in Common Stock.

(v) "Grant Agreement" means the written (whether in print or electronic form) agreement that each Participant to whom an Award is made under the Plan is required to enter into with the Company containing the terms and conditions of such grant as are determined by the Committee and consistent with the Plan.

(w) "Incentive Stock Option" means an option conforming to the requirements of Section 422 of the Code and any successor thereto.

(x) "Lead Underwriter" has the meaning set forth in Section 18.

(y) "Lock-Up Period" has the meaning set forth in Section 18.

(z) "Minimum Vesting Requirement" has the meaning set forth in Section 5.

(aa) "Non-Employee Director" means a director or a member of the Board of the Company or of the governing board of any Affiliate who is not an active employee of the Company or any Affiliate.

(bb) "Non-qualified Stock Option" means any stock option other than an Incentive Stock Option.

(cc) "Other Cash-Based Award" means an Award granted pursuant to Section 12 and payable in cash at such time or times and subject to such terms and conditions as determined by the Committee in its sole discretion.

(dd) "Other Termination" has the meaning set forth in Section 6(f)(v).

(ee) "Other Stock-Based Award" means an Award that is valued in whole or in part by reference to, or is payable in or otherwise based on, Common Stock, including, without limitation, an Award valued by reference to an Affiliate.

(ff) "Parent" means any parent corporation of the Company within the meaning of Section 424(e) of the Code.

(gg) "Participant" means any director, officer or employee of, or other individual performing services for, or to whom an offer of employment has been extended by, the Company or any Affiliate who has been selected by the Committee to participate in the Plan (including a Participant located outside the United States).

(hh) "Performance Award" means an Award granted to a Participant pursuant to Section 9, hereof contingent upon achieving certain Performance Goals.

(ii) "Performance Cycle" has the meaning set forth in Section 9.

(jj) "Performance Goals" means goals established by the Committee as contingencies for Awards to vest and/or become exercisable or distributable based on one or more of the performance goals set forth in Section 9.

(kk) "Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, incorporated organization, governmental or regulatory or other entity.

(ll) "Plan" has the meaning set forth in the introductory paragraph above.

(mm) "Proceeding" has the meaning set forth in Section 25.

(nn) "Registration Date" means the date on which the Company sells its Common Stock in a bona fide, firm commitment underwriting pursuant to a registration statement under the Securities Act.

(oo) "Restricted Stock" means an Award of Shares under this Plan that is subject to restrictions under Section 8.

(pp) "Restricted Stock Unit" or "Unit" means an Award of hypothetical Share units under this Plan that are convertible to Shares, or the Fair Market Value thereof, in accordance with Section 8.

(qq) "Restriction Period" has the meaning set forth in Section 8(f).

(rr) "Restrictive Period" means the Participant's dates of employment with the Company or an Affiliate, and additionally for Participants who reside outside of California, the 12-month period immediately following the termination of the Participant's employment with the Company or an Affiliate.

(ss) "Retirement" means, (i) for any non-director, (A) termination of service as a non-director due to his or her retirement after at least 10 years of service of such non-director and (B) attaining at least 55 years of age, and (ii) for any director, termination of service as a director after at least 5 years of service of such director.

(tt) "Rule 16b-3" means Rule 16b-3 under Section 16(b) of the Exchange Act as then in effect or any successor provision.

(uu) "Securities Act" means the Securities Act of 1933, as amended and all rules and regulations promulgated thereunder. Reference to a specific section of the Securities Act or regulation thereunder shall include such section or regulation, any valid regulation or interpretation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(vv) "Shares" has the meaning set forth in Section 4(a).

(ww) "Stock Appreciation Right" or "SAR" means the right pursuant to an Award granted under Section 7.

(xx) "Stock Option" or "Option" means any option to purchase shares of Common Stock granted to Participants pursuant to Section 6.

(yy) "Subsidiary" means a corporation or other entity of which outstanding shares or ownership interests representing 50% or more of the combined voting power of such corporation or other entity entitled to elect the management thereof, or such lesser percentage as may be approved by the Committee, are owned directly or indirectly by the Company.

(zz) "Substitute Awards" has the meaning set forth in Section 4(a).

(aaa) "Termination" means a Termination of Consultancy, Termination of Directorship or Termination of Employment, as applicable.

(bbb) "Termination of Consultancy" means: (i) that the Consultant is no longer acting as a consultant to the Company or an Affiliate; or (ii) when an entity which is retaining a Participant as a Consultant ceases to be an Affiliate unless the Participant otherwise is, or thereupon becomes, a Consultant to the Company or another Affiliate at the time the entity ceases to be an Affiliate. In the event that a Consultant becomes an Eligible Employee or a Non-Employee Director upon the termination of his or her consultancy, unless otherwise determined by the Committee, in its sole discretion, no Termination of Consultancy shall be deemed to occur until such time as such Consultant is no longer a Consultant, an Eligible Employee or a Non-Employee Director. Notwithstanding the foregoing, the Committee may otherwise define Termination of Consultancy in the Grant Agreement or, if no rights of a Participant are reduced, may otherwise define Termination of Consultancy thereafter; provided that, any such change to

the definition of the term "Termination of Consultancy" does not subject the applicable Award to Section 409A of the Code.

(ccc) "Termination of Directorship" means that the Non-Employee Director has ceased to be a director of the Company; except that if a Non-Employee Director becomes an Eligible Employee or a Consultant upon the termination of his or her directorship, his or her ceasing to be a director of the Company shall not be treated as a Termination of Directorship unless and until the Participant has a Termination of Employment or Termination of Consultancy, as the case may be.

(ddd) "Termination of Employment" means: (i) a termination of employment (for reasons other than a military or personal leave of absence granted by the Company) of a Participant from the Company and its Affiliates; or (ii) when an entity which is employing a Participant ceases to be an Affiliate, unless the Participant otherwise is, or thereupon becomes, employed by the Company or another Affiliate at the time the entity ceases to be an Affiliate. In the event that an Eligible Employee becomes a Consultant or a Non-Employee Director upon the termination of his or her employment, unless otherwise determined by the Committee, in its sole discretion, no Termination of Employment shall be deemed to occur until such time as such Eligible Employee is no longer an Eligible Employee, a Consultant or a Non-Employee Director. Notwithstanding the foregoing, the Committee may otherwise define Termination of Employment in the Grant Agreement or, if no rights of a Participant are reduced, may otherwise define Termination of Employment thereafter; provided that, unless otherwise determined by the Committee, any such change to the definition of the term "Termination of Employment" does not subject the applicable Award to Section 409A of the Code.

(eee) "Transfer" means: (i) when used as a noun, any direct or indirect transfer, sale, assignment, pledge, hypothecation, encumbrance or other disposition (including the issuance of equity in a Person), whether for value or no value and whether voluntary or involuntary (including by operation of law), and (ii) when used as a verb, to directly or indirectly transfer, sell, assign, pledge, encumber, charge, hypothecate or otherwise dispose of (including the issuance of equity in a Person) whether for value or for no value and whether voluntarily or involuntarily (including by operation of law). "Transferred" and "Transferable" shall have a correlative meaning.

(fff) "Vesting Period" has the meaning set forth in Section 8(a).

3. Administration.

(a) The Plan shall be administered, interpreted and construed by the Committee. If it is determined that one or more members of the Committee do not satisfy the requirements set forth in clause (i) or (ii) of the Committee definition herein, actions taken by the Committee prior to such determination shall be valid despite such failure to qualify. In no event, however, shall the Committee amend or modify the distribution terms in any Award or Grant Agreement that has a feature for the deferral of compensation if such modification would result in taxes, additional interest and/or penalties pursuant to Section 409A of the Code.

(b) Subject to the provisions of the Plan, the Committee shall be authorized to:

(i) select persons to participate in the Plan;

(ii) determine the form and substance of grants made under the Plan to each Participant, and the conditions and restrictions, if any, subject to which such grants will be made;

(iii) determine the form and substance of the Grant Agreements reflecting the terms and conditions of each grant made under the Plan;

(iv) certify that the conditions and restrictions applicable to any grant have been met;

(v) modify the terms of grants made under the Plan;

(vi) interpret and construe the Plan and Grant Agreements entered into under the Plan;

(vii) determine the duration and purposes for leaves of absence which may be granted to a Participant on an individual basis without constituting a termination of employment or services for purposes of the Plan;

(viii) make any adjustments necessary or desirable in connection with grants made under the Plan to eligible Participants located outside the United States;

(ix) adopt, amend, or rescind rules and regulations for the administration of the Plan, including, but not limited to, correcting any defect or supplying any omission, or reconciling any inconsistency in the Plan or in any Grant Agreement, in the manner and to the extent it shall deem necessary or advisable, including so that the Plan and the operation of the Plan complies with Rule 16b-3, the Code to the extent applicable and other applicable law and make such other determinations for carrying out the Plan as it may deem appropriate; and

(x) exercise such powers and perform such acts as are deemed necessary or advisable to promote the best interests of the Company with respect to the Plan.

(c) Notwithstanding the foregoing, the Committee shall not take any of the following actions without shareholder approval, except as provided in Section 20: (i) reduce the exercise price following the grant of an Option or SAR; (ii) exchange an Option or SAR which has an exercise price that is greater than the Fair Market Value of a Share for cash or Shares; or (iii) cancel an Option or SAR in exchange for a replacement option, SAR or another Award with a lower exercise price. Decisions of the Committee on all matters relating to the Plan, any Award granted under the Plan and any Grant Agreement shall be in the Committee's sole discretion and shall be conclusive and binding on the Company, all Participants and all other parties, unless an arbitration or other provision is expressly provided in a Participant's Grant Agreement. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with applicable federal and state laws and rules and regulations promulgated pursuant thereto. No member of the Committee and no officer of the Company shall be liable for any action taken or omitted to be taken by such member, by any other member of the Committee or by any officer of the Company in connection with the performance of duties under the Plan, except for such person's own willful misconduct or as expressly provided by statute.

(d) The expenses of the Plan shall be borne by the Company. The Plan shall not be required to establish any special or separate fund or make any other segregation of assets to assume the payment of any Award under the Plan, and rights to the payment of such Awards shall be no greater than the rights of the Company's general creditors.

4. Shares Available for the Plan.

(a) Subject to adjustments as provided in Section 20, an aggregate of 4,500,000 shares of Common Stock (the "Shares") may be issued pursuant to the Plan. Such Shares may be in whole or in part authorized and unissued or held by the Company as treasury shares. If any grant under the Plan expires or terminates unexercised, becomes unexercisable or is forfeited as to any Shares, then such unpurchased or forfeited Shares shall thereafter be available for further grants under the Plan unless, in the case of Options granted under the Plan, related SARs are exercised, it being understood that Shares with respect to an Award (or otherwise) that are used to satisfy the exercise price with respect to Options or SARs or tax withholding with respect to an Award shall not be available for further grants under the Plan. Any Award under the Plan settled in cash shall not be counted against the foregoing maximum share limitations. The maximum number of shares with respect to which Incentive Stock Options may be granted shall be 500,000. Shares issued under Awards granted in assumption, substitution or exchange for previously granted awards of a company acquired by the Company ("Substitute Awards") shall not reduce Shares available under Plan. Available shares under a stockholder approved plan of an acquired company (as appropriately adjusted to reflect such acquisition) may be used for Awards under this Plan and shall not reduce the number of Shares available under this Plan, except as required by the rules of any applicable stock exchange.

(b) The following individual Participant limitations shall apply:

(i) The maximum number of shares of Common Stock subject to Awards other than Performance Awards which may be granted under this Plan during any fiscal year of the Company to each Eligible Employee or Consultant shall be 500,000 shares in the aggregate (which shall be subject to any further increase or decrease pursuant to Section 20).

(ii) The maximum number of shares of Common Stock subject to Performance Awards which may be granted under this Plan during any fiscal year of the Company to each Eligible Employee or Consultant shall be 500,000 shares in the aggregate (which shall be subject to any further increase or decrease pursuant to Section 20).

(iii) The maximum value of shares of Common Stock subject to any Awards which may be granted under this Plan during any fiscal year of the Company to each Non-Employee Director shall be $500,000 in the aggregate (based on the grant value of the Common Shares under any Awards, as applicable), and when combined with cash compensation awarded to each Non-Employee Director for a fiscal year, the maximum amount of total annual compensation paid to each Non-Employee Director for a fiscal year shall not exceed $750,000.

(iv) The maximum value of a cash payment made under Performance Awards which may be granted under the Plan with respect to any fiscal year of the Company to each Eligible Employee or Consultant shall be $5,000,000 in the aggregate.

(v) The individual Participant limitations set forth in this Section 4(b) (other than paragraph (iv) above) shall be cumulative with respect to Eligible Employees and Consultants; that is, to the extent that shares of Common Stock or cash amounts for or under which Awards are permitted to be granted to an Eligible Employee or a Consultant during a fiscal year are not covered by or made under an Award, as applicable, to such Eligible Employee or Consultant in a fiscal year, the number of shares of Common Stock or cash amounts available for or under Awards to such Eligible Employee or Consultant shall automatically increase in the subsequent fiscal years during the term of the Plan until used.

(vi) The Committee may apply the foregoing dollar limitations specified in paragraph (iv) above with respect to paragraphs (i), (ii) or (iii) above as applicable and in the event the date of grant value of the number of shares specified such paragraphs (i), (ii) or (iii) is less than the applicable dollar limitations specified in such paragraph (iv).

(c) Without limiting the generality of the foregoing provisions of this Section 4 or any other section of this Plan, the Committee may, at any time or from time to time, and on such terms and conditions (that are consistent with and not in contravention of the other provisions of this Plan) as the Committee may determine, enter into Grant Agreements (or take other actions with respect to the Awards) for new Awards containing terms (including, without limitation, exercise prices) more (or less) favorable than the then-outstanding Awards.

5. Participation.

Participation in the Plan shall be limited to the Participants. Nothing in the Plan or in any Grant Agreement shall confer any right on a Participant to continue in the employ of the Company or any Affiliate as a director, officer or employee of or in the performance of services therefor or shall interfere in any way with the right of the Company or an Affiliate to terminate the employment or performance of services or to reduce the compensation or responsibilities of a Participant at any time. By accepting any Award under the Plan, each Participant and each person claiming under or through him or her shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, any action taken under the Plan by the Company, the Board or the Committee.

Awards may be granted to such persons and for such number of Shares as the Committee shall determine, subject to the limitations contained herein (such individuals to whom grants are made being sometimes herein called "optionees" or "grantees," as the case may be). Determinations made by the Committee under the Plan need not be uniform and may be made selectively among eligible individuals under the Plan, whether or not such individuals are similarly situated. A grant of any type made hereunder in any one year to an eligible Participant shall neither guarantee nor preclude a further grant of that or any other type to such Participant in that year or subsequent years.

Except for maximum aggregate Awards of 5% of the aggregate Shares authorized by Section 4, and subject to the circumstances described herein under which accelerated vesting

may occur, if the vesting condition for any Award (excluding any Award granted to a Non-Employee Director), relates (a) exclusively to the passage of time and continued employment, such time period shall not be less than (i) 36 months, with 33 1/3% of the Award vesting every 12 months with respect to any Full Value Award, and (ii) 1 year with respect to any other Award, and (b) to the attainment of specified Performance Goals, such Award (whether a Full Value Award or otherwise) shall vest over a Performance Cycle of not less than 1 year (the "Minimum Vesting Requirement").

6. Incentive and Non-qualified Options.

The Committee may from time to time grant to eligible Participants Incentive Stock Options, Non-qualified Stock Options, or any combination thereof; provided that, the Committee may grant Incentive Stock Options only to eligible employees of the Company or its Subsidiaries (as Subsidiaries may be further defined for this purpose in Section 424(f) of the Code or any successor thereto). The Options granted under the Plan shall be evidenced by a Grant Agreement and shall take such form as the Committee shall determine, subject to the terms and conditions of the Plan.

It is the Company's intent that Non-qualified Stock Options granted under the Plan not be classified as Incentive Stock Options, that Incentive Stock Options be consistent with and contain or be deemed to contain all provisions required under Section 422 of the Code and any successor thereto, and that any ambiguities in construction be interpreted and construed in order to effectuate such intent. If an Incentive Stock Option granted under the Plan does not qualify as such for any reason, then to the extent of such non-qualification, the Stock Option represented thereby shall be regarded as a Non-qualified Stock Option duly granted under the Plan; provided that, such Stock Option otherwise meets the Plan's requirements for Non-qualified Stock Options.

(a) Price. The price per Share deliverable upon the exercise of each Option shall be established by the Committee, except that in the case of the grant of any Option, such price may not be less than 100% of the Fair Market Value of a share of Common Stock as of the date of grant of the Option except for Substitute Awards, which shall have the exercise price as determined by the Committee; provided that, such exercise price does not cause the Substitute Award to become subject to Section 409A of the Code and the Committee takes into consideration any third-party voting guidelines. In the case of the grant of any Incentive Stock Option to an employee who, at the time of the grant, owns more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries, the exercise price may not be less than 110% of the Fair Market Value of a share of Common Stock as of the date of grant of the Option, in each case unless otherwise permitted by Section 422 of the Code or any successor thereto.

(b) Payment. Options may be exercised, in whole or in part, upon payment of the exercise price of the Shares to be acquired. Unless otherwise determined by the Committee, payment shall be made (i) in cash (including check, bank draft, money order or wire transfer of immediately available funds), (ii) by delivery of outstanding shares of Common Stock with a Fair Market Value on the date of exercise equal to the aggregate exercise price payable with respect to the Options' exercise, (iii) by means of any cashless exercise procedures approved by the Committee and as may be in effect on the date of exercise, (iv) by withholding shares of

Common Stock otherwise deliverable upon exercise of the Option having a Fair Market Value equal to the exercise price, or (v) by any combination of the foregoing.

In the event a grantee is permitted to, and elects to pay the exercise price payable with respect to an Option pursuant to clause (ii) above, (A) only a whole number of share(s) of Common Stock (and not fractional shares of Common Stock) may be tendered in payment, (B) such grantee must present evidence acceptable to the Company that he or she has owned any such shares of Common Stock tendered in payment of the exercise price (and that such tendered shares of Common Stock are not subject to any substantial risk of forfeiture), and (C) Common Stock must be delivered to the Company. Delivery for this purpose may, at the election of the grantee, be made either by (x) physical delivery of the certificate(s) for all such shares of Common Stock tendered in payment of the exercise price, accompanied by duly executed instruments of transfer in a form acceptable to the Company, (y) direction to the grantee's broker to transfer, by book entry, such shares of Common Stock from a brokerage account of the grantee to a brokerage account specified by the Company, or (z) the attestation of the grantee's shares of Common Stock. When payment of the exercise price is made by delivery of Common Stock, the difference, if any, between the aggregate exercise price payable with respect to the Option being exercised and the Fair Market Value of the shares of Common Stock tendered in payment (plus any applicable taxes) shall be paid in cash. No grantee may tender shares of Common Stock having a Fair Market Value exceeding the aggregate exercise price payable with respect to the Option being exercised (plus any applicable taxes).

(c) Terms of Options. The term during which each Option may be exercised shall be determined by the Committee, but if required by the Code, no Option shall be exercisable in whole or in part more than 10 years from the date it is granted, and no Incentive Stock Option granted to an employee who at the time of the grant owns more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries shall be exercisable more than 5 years from the date it is granted. All rights to purchase Shares pursuant to an Option shall, unless sooner terminated, expire on the date designated by the Committee. Subject to the terms of the Plan, the Committee shall determine the date on which each Option shall become exercisable and may provide that an Option shall become exercisable in installments. The Committee may provide that upon the last day of the term of an Option whose exercise price is less than the Fair Market Value of the underlying Share on such date, such Option may be automatically exercised and the Participant shall receive a number of Shares equal in value to the excess of the Fair Market Value of a Share over the exercise price of such Option, less any applicable withholding taxes. The Shares constituting each installment may be purchased in whole or in part at any time after such installment becomes exercisable, subject to such minimum exercise requirements as may be designated by the Committee. Prior to the exercise of an Option and delivery of the Shares represented thereby, the optionee shall have no rights as a shareholder with respect to any Shares covered by such outstanding Option (including any dividend or voting rights). If an Option (other than an Incentive Stock Option) expires on a day that the Participant cannot exercise the Option because such an exercise would violate an applicable federal, state, local, or foreign law, the expiration date shall be tolled, at the discretion of the Committee, to the date no later than 30 days after the date the exercise of such Option would no longer violate an applicable Federal, state, local, and foreign laws, to the extent allowed under Section 409A of the Code.

(d) Limitations on Grants. If required by the Code, the aggregate Fair Market Value (determined as of the grant date) of Shares for which an Incentive Stock Option is exercisable for

the first time during any calendar year under all equity incentive plans of the Company and its Subsidiaries (as defined in Section 422 of the Code or any successor thereto) may not exceed $100,000.

(e) Other Terms and Conditions. The Committee may include a provision in a Grant Agreement providing for the automatic exercise of a Non-qualified Stock Option on a cashless basis on the last day of the term of such Option if the Participant has failed to exercise the Non-qualified Stock Option as of such date, with respect to which the Fair Market Value of the shares of Common Stock underlying the Non-qualified Stock Option exceeds the exercise price of such Non-qualified Stock Option on the date of expiration of such Option, subject to Section 14. Stock Options may contain such other provisions, which shall not be inconsistent with any of the terms of the Plan, as the Committee shall deem appropriate.

(f) Termination; Forfeiture.

(i) Death. Unless otherwise provided in a Participant's Grant Agreement, if a Participant ceases to be a director, officer or employee of, or to perform other services for, the Company or any Affiliate due to his or her death, all of the Participant's Awards shall become fully vested and all of the Participant's Options shall become exercisable and shall remain so for a period of 1 year from the date of such death, but in no event after the expiration date of the Options.

(ii) Disability. Unless otherwise provided in a Participant's Grant Agreement (including as a result of a condition in such Grant Agreement that provides for vesting of the Participant's Awards or exercisability of the Participant's Options upon the occurrence of a disability, as defined pursuant to such Grant Agreement), if a Participant ceases to be a director, officer or employee of, or to perform other services for, the Company or any Affiliate due to Disability, all of the Participant's Awards shall become fully vested and all of the Participant's Options shall become exercisable and shall remain so for a period of 1 year from the date thereof, but in no event after the expiration date of the Options. Notwithstanding the foregoing, if the Disability giving rise to the termination of employment is not within the meaning of Section 22(e)(3) of the Code or any successor thereto, Incentive Stock Options not exercised by such Participant within 90 days after the date of termination of employment will cease to qualify as Incentive Stock Options and will be treated as Non-qualified Stock Options under the Plan if required to be so treated under the Code.

(iii) Retirement. Unless otherwise provided in a Participant's Grant Agreement, if a Participant ceases to be an officer or employee of, or to perform other services for, the Company or any Affiliate upon the occurrence of his or her Retirement, the unvested portion of the Participant's Awards (or, with respect to the Participant's Options, the unexercisable portion thereof) as of the date of Retirement shall continue to vest (or, with respect to the Participant's Options, become exercisable); provided that such Retirement occurs more than 12 months following the date of grant. In the event such Retirement occurs prior to the 12-month anniversary of the date of grant, (A) all of the Participant's Awards that were not fully vested (or, with respect to the Participant's Options, exercisable) on the date of Retirement shall be forfeited immediately upon such Retirement and (B) all of the Participant's Options that were exercisable on the date of Retirement shall remain exercisable for, and shall otherwise terminate and thereafter be

forfeited at the end of, a period of 12 months after the date of Retirement, but in no event after the expiration date of the Options. Notwithstanding anything to the contrary in this Section 6(f)(iii), (x) upon Retirement, a Participant's Awards may become fully vested (and, with respect to the Participant's Options, exercisable) in the discretion of the Committee and (y) Incentive Stock Options not exercised by such Participant within 90 days after Retirement will cease to qualify as Incentive Stock Options and will be treated as Non-qualified Stock Options under the Plan if required to be so treated under the Code.

Unless otherwise provided in a Participant's Grant Agreement, if a Participant ceases to be a director of the Company or any Affiliate upon the occurrence of his or her Retirement, all of the Participant's Awards shall become fully vested and all of the Participant's Options shall become exercisable and shall remain so for a period of 12 months after the date of Retirement, but in no event after the expiration date of the Options.

(iv) Detrimental Activity; Discharge for Cause. If a Participant (A) engages in a Detrimental Activity, (B) ceases to be a director, officer or employee of, or to perform other services for, the Company or any Affiliate due to Cause (or at a time when such employment or services were, or would have been, terminable for Cause), or (C) does not become a director, officer or employee of, or does not begin performing other services for, the Company or any Affiliate for any reason, all of the Participant's Awards shall be forfeited immediately and all of the Participant's Options shall expire and be forfeited immediately, whether or not then exercisable, upon such cessation or non-commencement. Notwithstanding any other provision of the Plan, nothing in the Plan is intended to, or does, preclude the Participant from (i) disclosing Confidential Information as part of a government investigation; (ii) contacting, reporting to, responding to an inquiry from, filing a charge or complaint with, communicating with, or otherwise participating in an investigation conducted by, any federal, state, or local governmental agency, commission, or regulatory body; (iii) reporting possible violations of federal and/or state law or regulation to any federal, state, or local governmental agency or entity, including with respect to alleged criminal conduct or unlawful employment practices, or from making other disclosures that are protected under the whistleblower provisions of federal and/or state law or regulation; (iv) making truthful statements or disclosures regarding alleged unlawful employment practices; (v) giving truthful testimony or making statements under oath in response to a subpoena or other valid legal process or in any legal proceeding; (vi) otherwise making truthful statements as required by law or valid legal process; (vii) engaging in protected concerted activity under the National Labor Relations Act for the purpose of collective bargaining or other mutual aid or protection, including (A) making disclosures concerning the Plan in aid of such concerted activities; (B) filing unfair labor practice charges with the National Labor Relations Board; (C) assisting others who are filing such charges; or (D) cooperating with the investigative process of the National Labor Relations Board and other government agencies; or (viii) disclosing a trade secret in confidence to a governmental official, directly or indirectly, or to an attorney, if the disclosure is made solely for the purpose of reporting or investigating a suspected violation of law. Accordingly, the Participant understands that he or she will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (x) in confidence

to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. The Participant likewise understands that, if he or she files a lawsuit for retaliation by the Company for reporting a suspected violation of law, he or she may disclose such company's trade secret(s) to his or her attorney and use the trade secret information in the court proceeding, if he or she (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order. The Participant acknowledges that irreparable damage would occur to the Company and its Affiliates if he or she engages in any Detrimental Activity. The Participant agrees that the Company (and/or the applicable Affiliate), without prejudice to any rights or remedies otherwise available, shall be entitled to equitable relief, including, without limitation, specific performance and injunction, in the event the Participant engages in or threatens to engage in any Detrimental Activity without proof of actual damages. The Participant will not oppose the granting of such relief on the basis that the Company (and/or the applicable Affiliate) has an adequate remedy at law. The Participant also will not seek, and will waive any requirement for, the securing or posting of a bond in connection with the Company (and/or applicable Affiliate) seeking or obtaining such relief. Each Affiliate is an express third party beneficiary to the provisions of the Plan, including but not limited to Section 2(n) and this Section 6(f)(iv) regarding Detrimental Activity.

(v) Other Termination. Unless otherwise provided in a Participant's Grant Agreement and subject to Section 20(c), if a Participant ceases to be a director, officer or employee of, or to otherwise perform services for, the Company or any Affiliate for any reason other than death, Disability, Retirement or Cause hereunder (each such termination referred to herein as an "Other Termination"), (A) all of the Participant's Options that were exercisable on the date of such cessation shall remain exercisable for, and shall otherwise terminate and thereafter be forfeited at the end of, a period of 90 days after the date of such cessation, but in no event after the expiration date of the Options, and (B) all of the Participant's Awards that were not fully vested (or, with respect to the Participant's Options, exercisable) on the date of such cessation shall be forfeited immediately upon such cessation. For the avoidance of doubt, an Other Termination with recall rights shall be considered an Other Termination to which this Section 6(f)(v) applies.

For purposes of the preceding paragraphs (i) – (v), references to Affiliates shall, to the extent required under Section 422 of the Code and related guidance, be substituted with references to Subsidiaries with respect to Awards of Incentive Stock Options.

7. Stock Appreciation Rights.

The Committee shall have the authority to grant SARs under this Plan, either alone or to any optionee in tandem with Options (either at the time of grant of the related Option or thereafter by amendment to an outstanding Option). Subject to the terms of the Plan, SARs shall be subject to such terms and conditions as the Committee may specify.

The exercise price of an SAR must equal or exceed the Fair Market Value of a share of Common Stock on the date of grant of the SAR except for Substitute Awards, which shall have

the exercise price as determined by the Committee provided that such exercise price does not cause the Substitute Award to become subject to Section 409A of the Code and the Committee takes into consideration any third-party voting guidelines. Prior to the exercise of the SAR and delivery of the Shares represented thereby, the Participant shall have no rights as a shareholder with respect to Shares covered by such outstanding SAR (including any dividend or voting rights).

SARs granted in tandem with Options shall be exercisable only when, to the extent and on the conditions that any related Option is exercisable. The exercise of an Option shall result in an immediate forfeiture of any related SAR to the extent the Option is exercised, and the exercise of an SAR shall cause an immediate forfeiture of any related Option to the extent the SAR is exercised.

Upon the exercise of an SAR, the Participant shall be entitled to a distribution from the Company in an amount equal to the difference between the Fair Market Value of a share of Common Stock on the date of exercise and the exercise price of the SAR or, in the case of SARs granted in tandem with Options, any Option to which the SAR is related, multiplied by the number of Shares as to which the SAR is exercised. Such distribution shall be in cash and/or Shares having a Fair Market Value equal to such amount, or any combination thereof as chosen by the Committee.

All SARs will be exercised automatically on the last day prior to the expiration date of the SAR or, in the case of SARs granted in tandem with Options, any related Option, so long as the Fair Market Value of a share of Common Stock on that date exceeds the exercise price of the SAR or any related Option, as applicable. An SAR granted in tandem with Options shall expire at the same time as any related Option expires and shall be transferable only when, and under the same conditions as, any related Option is transferable. Unless otherwise determined by a Participant's Grant Agreement, each SAR shall be subject to the termination and forfeiture provisions as set forth in Section 6(f).

8. Restricted Stock; Restricted Stock Units.

(a) The Committee may at any time and from time to time grant Shares of Restricted Stock or Restricted Stock Units under the Plan to such Participants and in such amounts as it determines. Each Restricted Stock Unit shall be equivalent in value to one share of Common Stock and shall entitle the Participant to receive from the Company at the end of the vesting period (the "Vesting Period") applicable to such unit one share of Common Stock or the Fair Market Value thereof, unless the Participant has elected at a time that complies with Section 409A of the Code to defer the receipt thereof.

(b) Each grant of Restricted Stock Units or Shares of Restricted Stock shall be evidenced by a Grant Agreement which shall specify the applicable restrictions on such Units or Shares, the duration of such restrictions, and, subject to compliance with the Minimum Vesting Requirement, the time or times at which such restrictions shall lapse with respect to all or a specified number of Shares that are part of the grant.

(c) Except as otherwise provided in any Grant Agreement, the grant of the Restricted Stock shall be granted without payment of cash or consideration to the Company. Unless otherwise determined by the Committee, certificates representing Shares of Restricted Stock

granted under the Plan will be held in escrow by the Company on the Participant's behalf during any period of restriction thereon and will bear an appropriate legend specifying the applicable restrictions thereon, and the Participant will be required to execute a blank stock power therefor.

(d) If the grant of Restricted Stock Units or Restricted Stock or the lapse of restrictions is based on the attainment of Performance Goals, the Committee shall establish the Performance Goals and the applicable vesting percentage of the Restricted Stock or Restricted Stock Units applicable to each Participant or class of Participants in writing prior to the beginning of the applicable fiscal year or at such later date as otherwise determined by the Committee and while the outcome of the Performance Goals is substantially uncertain. The Committee may adjust, in whole or in part, any Performance Goals (including any performance metrics, formulas, performance-based measures or the targeted achievement levels (including any minimum or maximum achievement levels)) relating to such Performance Goals, as the Committee may deem appropriate and equitable and to avoid undue harm or enrichment to account for any changes in financial reporting, any non-recurring, infrequent or unusual events any other events, as reasonably determined by the Committee.

(e) Restricted Stock Units may be granted without payment of cash or consideration to the Company. Except as otherwise provided in any Grant Agreement, on the date the Restricted Stock Units become fully vested and nonforfeitable, the Participant shall receive stock certificates evidencing the conversion of Restricted Stock Units into shares of Common Stock or, at the discretion of the Committee, a cash payment representing the Fair Market Value of the underlying shares in lieu thereof.

(f) The Participant shall not be permitted to Transfer shares of Restricted Stock awarded under this Plan during the period or periods set by the Committee (the "Restriction Period") commencing on the date of such Award, as set forth in the Participant's Grant Agreement and such agreement shall set forth a vesting schedule and any events which would accelerate vesting of the shares of Restricted Stock. Within these limits, based on service, attainment of Performance Goals pursuant to Section 8(d) and/or such other factors or criteria as the Committee may determine in its sole discretion, the Committee may condition the grant or provide for the lapse of such restrictions in installments in whole or in part, or may accelerate the vesting of all or any part of any Restricted Stock Award.

(g) Except as otherwise provided in Section 8(d) or in any Grant Agreement, with respect to Shares of Restricted Stock, during such period of restriction the Participant shall have all of the rights of a holder of Common Stock, including but not limited to the rights to receive dividends and to vote, and any stock or other securities received as a distribution with respect to such Participant's Shares of Restricted Stock shall be subject to the same restrictions as then in effect for the Shares of Restricted Stock; provided that, any dividends on Shares of Restricted Stock that vest based upon the satisfaction of any performance conditions shall be accumulated and paid at the time the underlying performance conditions are satisfied. Except as otherwise provided in any Grant Agreement, with respect to the Restricted Stock Units, during such period of restriction the Participant shall not have any rights as a shareholder of the Company; provided that, unless otherwise provided in a Participant's Grant Agreement, the Participant shall have the right to receive accumulated dividends or distributions with respect to the corresponding number of Shares underlying each Restricted Stock Unit at the end of the Vesting Period, unless such Restricted Stock Units are converted into Deferred Stock Units, in which case such accumulated

dividends or distributions shall be paid by the Company to the Participant at such time as the Deferred Stock Units are converted into shares of Common Stock.

(h) Unless otherwise provided in a Participant's Grant Agreement, each Award of Restricted Stock or Restricted Stock Units shall be subject to the termination and forfeiture provisions as set forth in Section 6(f).

9. Performance Awards.

Performance Awards may be granted to Participants at any time and from time to time as determined by the Committee. The Committee shall determine the size and composition of Performance Awards granted to a Participant and the appropriate period over which performance is to be measured (a "Performance Cycle"), subject to compliance with the Minimum Vesting Requirement. Performance Awards may include (i) specific dollar-value target awards, (ii) performance units, and/or (iii) performance Shares.

The value of each Performance Award may be fixed or it may be permitted to fluctuate based on a performance factor (e.g., return on equity) selected by the Committee, including but not limited to, any one or more of the following performance factors: return on equity; earnings per share; return on gross or net assets; return on gross or net revenue; pre- or after-tax net income; earnings before interest, taxes, depreciation and amortization; operating income; revenue growth; consolidated pre-tax earnings; net or gross revenues; net earnings; earnings before interest and taxes; cash flow; earnings per share; fleet in-market availability; safety criteria; environmental criteria; revenue growth; cash flow from operations; diluted or basic; return on sales; earnings per share from continuing operations, diluted or basic; earnings from continuing operations; net asset turnover; capital expenditures; income before income taxes; gross or operating margin; return on total assets; return on invested capital; return on investment; return on revenue; market share; economic value added; cost of capital; expense reduction levels; stock price; productivity; customer satisfaction; employee satisfaction; and total shareholder return for the applicable Performance Cycle, all as computed in accordance with Generally Accepted Accounting Principles (if relevant) as in effect from time to time and as applied by the Company in the preparation of its financial statements and subject to such other special rules and conditions as the Compensation Committee may establish in a timely manner and in any event while the outcome is substantially uncertain. These performance factors may be absolute or relative (to prior performance of the Company or to the performance of one or more other entities or external indices) and may be expressed in terms of a progression within a specified range. The foregoing criteria shall have any reasonable definitions that the Committee may specify, which may include or exclude any or all of the following items, as the Committee may specify: extraordinary, unusual or non-recurring items; effects of accounting changes; effects of currency fluctuations; effects of financing activities (e.g., effect on earnings per share of issuing convertible debt securities); expenses for restructuring, productivity initiatives or new business initiatives; non-operating items; acquisition expenses; and effects of divestitures.

The Committee shall establish Performance Goals and objectives for each Performance Cycle on the basis of such criteria and objectives as the Committee may select from time to time, including, without limitation, the performance of the Participant, the Company, one or more of its Subsidiaries or divisions or any combination of the foregoing. During any Performance Cycle, the Committee shall have the authority to adjust the Performance Goals and objectives for such cycle for such reasons as it deems equitable.

The Committee shall determine the portion of each Performance Award that is earned by a Participant on the basis of the Company's performance over the Performance Cycle in relation to the Performance Goals for such cycle. The earned portion of a Performance Award may be paid out in Shares, other Company securities or any combination thereof, as the Committee may determine.

A Participant must be a director, officer or employee of, or otherwise perform services for, the Company or its Subsidiaries at the end of the Performance Cycle in order to be entitled to payment of a Performance Award issued in respect of such cycle; provided, however, unless otherwise provided in a Participant's Grant Agreement, each Performance Award shall be subject to the termination and forfeiture provisions as set forth in Section 6(f).

10. Deferred Stock Units.

Deferred Stock Units (a) may be granted to Participants at any time and from time to time as determined by the Committee, and (b) shall be issued to Participants who elected prior to the date the Restricted Stock Units were granted to defer delivery of shares of Common Stock that would otherwise be due by virtue of the lapse or waiver of the vesting requirements of their Restricted Stock Units. All elections with respect to Deferred Stock Units shall be made in accordance with the election and distribution timing rules in Section 409A of the Code.

Except as otherwise provided in any Grant Agreement, Deferred Stock Units shall be granted without payment of cash or other consideration to the Company but in consideration of services performed for or for the benefit of the Company or any Affiliate by such Participant. Payment of the value of Deferred Stock Units shall be made by the Company in shares of Common Stock; provided that, the Participant shall receive a number of shares of Common Stock equal to the number of matured or earned Deferred Stock Units. Upon payment in respect of a Deferred Stock Unit, such unit shall be terminated and thereafter forfeited. Payments in respect of Deferred Stock Units shall be made only at the end of the deferral period applicable to such units (the "Deferral Period"), the duration of which Deferral Period shall be determined by the Committee at the time of grant of such Deferred Stock Units and set forth in the applicable Grant Agreement (or by the Participant in the case of an election to defer the receipt of Common Stock beyond the Vesting Period).

Except as otherwise provided in any Grant Agreement, during such Deferral Period the Participant shall not have any rights as a shareholder of the Company; provided that, unless otherwise provided in a Participant's Grant Agreement, the Participant shall have the right to receive accumulated dividends or distributions with respect to the corresponding number of shares of Common Stock underlying each Deferred Stock Unit at the end of the Deferral Period when such Deferred Stock Units are converted into shares of Common Stock.

Unless otherwise provided in the Participant's Grant Agreement or related election form, if a Participant dies while serving as a director, officer or employee of the Company or its Affiliate prior to the end of the Deferral Period, the Participant shall receive payment in respect to such Participant's Deferred Stock Units which would have matured or been earned at the end of such Deferral Period as if the applicable Deferral Period had ended as of the date of such Participant's death.

Unless otherwise provided in a Participant's Grant Agreement or related election form, if a Participant ceases to be a director, officer or employee of, or to otherwise perform services for, the Company or its Subsidiaries upon his or her Disability or Retirement prior to the end of the Deferral Period, the Participant shall receive payment in respect of such Participant's Deferred Stock Units at the end of such Deferral Period.

Unless otherwise provided in the Participant's Grant Agreement or related election form, at such time as a Participant ceases to be, or in the event a Participant does not become, a director, officer or employee of, or otherwise performing services for, the Company or its Subsidiaries for any reason other than Disability, Retirement or death, such Participant shall immediately forfeit any unvested Deferred Stock Units which would have matured or been earned at the end of such Deferral Period.

11. Other Stock-Based Awards.

(a) Generally. The Committee is authorized to grant to Participants Other Stock-Based Awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to shares of Common Stock, including but not limited to, shares of Common Stock awarded purely as a bonus and not subject to any restrictions or conditions, shares of Common Stock in payment of the amounts due under an incentive or performance plan sponsored or maintained by the Company or an Affiliate, stock equivalent units, and Awards valued by reference to book value of shares of Common Stock. Other Stock-Based Awards may be granted either alone or in addition to or in tandem with other Awards granted under the Plan. Subject to the provisions of this Plan, the Committee shall have authority to determine the Participants, to whom, and the time or times at which, such Awards shall be made, the number of shares of Common Stock to be awarded pursuant to such Awards, and all other conditions of the Awards. The Committee may also provide for the grant of Common Stock under such Awards upon the completion of a specified Performance Cycle. The Committee may condition the grant or vesting of Other Stock-Based Awards upon the attainment of specified Performance Goals as the Committee may determine, in its sole discretion; provided that, the Committee shall establish the Performance Goals for the grant or vesting of such Other Stock-Based Awards based on a Performance Cycle applicable to each Participant or class of Participants in writing prior to the beginning of the applicable Performance Cycle or at such later date as otherwise determined by the Committee and while the outcome of the Performance Goals is substantially uncertain. The Committee may adjust, in whole or in part, any Performance Goals (including any performance metrics, formulas, performance-based measures or the targeted achievement levels (including any minimum or maximum achievement levels)) relating to such Performance Goals, as the Committee may deem appropriate and equitable and to avoid undue harm or enrichment to account for any changes in financial reporting, any non-recurring, infrequent or unusual events any other events, as reasonably determined by the Committee.

(b) Terms and Conditions. Other Stock-Based Awards made pursuant to this Section 11 shall be subject to the following terms and conditions:

(i) Non-Transferability. Subject to the applicable provisions of the Grant Agreement and this Plan, shares of Common Stock subject to Awards made under this Section 11 may not be Transferred prior to the date on which the shares are issued, or, if later, the date on which any applicable restriction, performance or deferral period lapses.

(ii) Dividends. Unless otherwise determined by the Committee at the time of Award, subject to the provisions of the Grant Agreement and this Plan, the recipient of an Award under this Section 11 shall not be entitled to receive, currently or on a deferred basis, dividends or dividend equivalents with respect to the number of shares of Common Stock covered by the Award, as determined at the time of the Award by the Committee, in its sole discretion.

(iii) Vesting. Any Award under this Section 11 and any Common Stock covered by any such Award shall vest or be forfeited to the extent so provided in the Grant Agreement, as determined by the Committee, in its sole discretion.

(iv) Price. Common Stock issued on a bonus basis under this Section 11 may be issued for no cash consideration; Common Stock purchased pursuant to a purchase right awarded under this Section 11 shall be priced, as determined by the Committee in its sole discretion.

12. Other Cash-Based Awards.

The Committee may from time to time grant Other Cash-Based Awards to Participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by applicable law, as it shall determine in its sole discretion. Other Cash-Based Awards may be granted subject to the satisfaction of vesting conditions or may be awarded purely as a bonus and not subject to restrictions or conditions, and if subject to vesting conditions, the Committee may accelerate the vesting of such Awards at any time in its sole discretion.

The grant of an Other Cash-Based Award shall not require a segregation of any of the Company's assets for satisfaction of the Company's payment obligation thereunder.

13. Grant of Dividend Equivalent Rights.

The Committee may include in a Participant's Grant Agreement a dividend equivalent right entitling the grantee to receive amounts equal to all or any portion of the dividends that would be paid on the shares of Common Stock covered by such Award if such Shares had been delivered pursuant to such Award. In the event such a provision is included in a Grant Agreement, the Committee shall determine whether such payments shall be made in cash, in shares of Common Stock or in another form, the time or times at which they shall be made, and such other terms and conditions as the Committee shall deem appropriate. Any dividend equivalent rights that may be granted on account of Awards that vest based upon the satisfaction of any performance conditions may only be paid if the underlying performance conditions of the Award are satisfied.

14. Withholding Taxes.

(a) Withholding Obligations. Unless otherwise determined by the Committee, a Participant may (i) pay cash (including by check, bank draft, money order or wire transfer of immediately available funds), (ii) deliver shares of Common Stock (or have the Company withhold Shares acquired upon exercise of an Option or SAR or deliverable upon grant or vesting of Restricted Stock or vesting of Restricted Stock Units or Performance Awards or

Deferred Stock Units or the receipt of Common Stock, as the case may be), or (iii) a combination of the foregoing, to satisfy, in whole or in part, the amount the Company is required to withhold for taxes in connection therewith. The fair market value of the shares to be withheld or delivered will be the Fair Market Value as of the date the amount of tax to be withheld is determined. In the event a Participant delivers or has the Company withhold shares of Common Stock pursuant to this Section 14(a), such delivery or withholding must be made subject to the conditions and pursuant to the procedures set forth in Section 6(b) with respect to the delivery or withholding of Common Stock in payment of the exercise price of Options.

(b) Company Requirement. The Company may require, as a condition to any grant or exercise under the Plan or to the delivery of certificates for Shares issued hereunder, that the grantee make provision for the payment to the Company, either pursuant to Section 14(a) or this Section 14(b), of federal, state or local taxes of any kind required by law to be withheld with respect to any grant, delivery or vesting of Shares. The Company, to the extent permitted or required by law, shall have the right to deduct from any payment of any kind (including salary or bonus) otherwise due to a grantee, an amount equal to any federal, state or local taxes of any kind required by law to be withheld with respect to any grant or delivery of Shares under the Plan. The Company shall in no event be liable for any taxes whatsoever (including, without limitation, taxes under Section 409A of the Code) associated with the grant, vesting, exercise, or settlement of any Award granted pursuant to this Plan, other than the Company's share of any payroll taxes.

15. Grant Agreement; Vesting.

Each employee to whom an Award is made under the Plan shall enter into a Grant Agreement with the Company that shall contain such provisions, including without limitation vesting requirements, consistent with the provisions of the Plan, as may be approved by the Committee. Unless the Committee determines otherwise and except as otherwise provided herein in connection with a Change in Control or certain occurrences of Termination, no Award under this Plan may be exercised, and no restrictions relating thereto may lapse, within 6 months of the date such Award is made.

16. Transferability.

No Award granted under the Plan shall be transferable by a Participant other than (a) by will or the laws of descent and distribution, (b) to a Participant's Family Member by gift or a qualified domestic relations order as defined by the Code, or (c) to a charitable organization, but in each case only with Committee approval or as provided in a Grant Agreement. Unless otherwise provided in any Grant Agreement, an Option, SAR, or Performance Award may be exercised only by the optionee or grantee thereof; by his or her Family Member if such person has acquired the Option, SAR or Performance Award by gift or qualified domestic relations order; by the executor or administrator of the estate of any of the foregoing or any person to whom the Option, SAR, or Performance Award is transferred by will or the laws of descent and distribution; or by the guardian or legal representative of any of the foregoing; provided that, Incentive Stock Options may be exercised by any Family Member, guardian or legal representative only if permitted by the Code and any regulations thereunder. All provisions of this Plan shall in any event continue to apply to any Award granted under the Plan and transferred as permitted by this Section 16, and any transferee of any such Award shall be bound by all provisions of this Plan as and to the same extent as the applicable original grantee.

17. Listing, Registration and Qualification.

If the Committee determines that the listing, registration or qualification upon any securities exchange or under any law of Shares subject to any Award is necessary or desirable as a condition of, or in connection with, the granting of same or the issue or purchase of Shares thereunder, no such option or SAR may be exercised in whole or in part, no such Performance Award, Restricted Stock Unit or Deferred Stock Unit may be paid out, and no Shares may be issued, unless such listing, registration or qualification is effected free of any conditions not acceptable to the Committee.

18. Lock-Up Period.

As a condition to the grant of an Award, if requested by the Company and the lead underwriter of any public offering of the Common Stock (the "Lead Underwriter"), a Participant shall irrevocably agree not to sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale of, pledge or otherwise transfer or dispose of, any interest in any Common Stock or any securities convertible into, derivative of, or exchangeable or exercisable for, or any other rights to purchase or acquire Common Stock (except Common Stock included in such public offering or acquired on the public market after such offering) during such period of time following the effective date of a registration statement of the Company filed under the Securities Act that the Lead Underwriter shall specify (the "Lock-Up Period"). The Participant shall further agree to sign such documents as may be requested by the Lead Underwriter to effect the foregoing and agree that the Company may impose stop-transfer instructions with respect to Common Stock acquired pursuant to an Award until the end of such Lock-Up Period.

19. Transfer of Employee.

The transfer of an employee from the Company to an Affiliate, from any Affiliate to the Company, or from one Affiliate to another Affiliate shall not be considered a Termination of Employment; nor shall it be considered a Termination of Employment if an employee is placed on military or sick leave or such other leave of absence which is considered by the Committee as continuing intact the employment relationship.

20. Adjustments.

(a) In the event of any reorganization, recapitalization, stock split, reverse stock split, special cash dividend, stock dividend, combination of shares, merger, consolidation, distribution of assets, or any other change in the corporate structure or event that affects the shares of the Company such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Plan, the Committee shall make such equitable adjustments in any or all of the following in order to prevent such dilution or enlargement of rights: (i) the number and kind of Shares or other property available for issuance under the Plan (including, without limitation, the total number of Shares available for issuance under the Plan pursuant to Section 4), (ii) the number and kind of Awards or other property covered by Awards previously made under the Plan, and (iii) the exercise price of outstanding Options and SARs. Any such adjustment shall be final, conclusive and binding for all purposes of the Plan. In the event of any merger, consolidation or other reorganization in which the Company is not the surviving or continuing corporation or in which a Change in Control is to occur, all of the Company's

obligations regarding any Awards that were granted hereunder and that are outstanding on the date of such event shall, on such terms as may be approved by the Committee prior to such event, be assumed by the surviving or continuing corporation or canceled in exchange for property (including cash).

(b) Without limitation of the foregoing, in connection with any transaction of the type specified by Section 2(e)(iii) in the definition of a Change in Control, the Committee may (i) cancel any or all outstanding Options under the Plan in consideration for payment to the holders thereof of an amount equal to the portion of the consideration, if any, that would have been payable to such holders pursuant to such transaction if their Options had been fully exercised immediately prior to such transaction, less the aggregate exercise price that would have been payable therefor, or (ii) if the amount that would have been payable to the Option holders pursuant to such transaction if their Options had been fully exercised immediately prior thereto would be equal to or less than the aggregate exercise price that would have been payable therefor, cancel any or all such Options for no consideration or payment of any kind. Payment of any amount payable pursuant to the preceding sentence may be made in cash or, in the event that the consideration to be received in such transaction includes securities or other property, in cash and/or securities or other property in the Committee's discretion.

(c) Change in Control. Unless otherwise provided in a Participant's Grant Agreement or his or her written employment arrangements with the Company or any of its Subsidiaries in effect on the date of grant (as amended from time to time thereafter), (i) upon a Participant's Termination by the Company for any reason other than Cause in connection with a Change in Control, all of the Participant's Awards shall become fully vested upon the later of such Change in Control or such Termination (and, with respect to the Participant's Options, exercisable upon the later of such Change in Control or such Termination and shall remain so until the expiration date of the Options); provided that in such event, the Committee shall determine the level at which a Participant's Performance Award shall become vested, and (ii) the Participant's Termination may be treated as being in connection with a Change in Control only if such Termination occurs during the period beginning 6 months prior to the Change in Control and ending 24 months following the Change in Control.

(d) Clawback. If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, then any Participant who has been paid an Award under this Plan based upon or affected by the restated financial report shall be required, at the discretion of the Board or the Committee, or pursuant to applicable policies of the Company or as required pursuant to applicable law, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, to reimburse the Company for all or any portion of such Award.

21. Amendment and Termination of the Plan.

The Board or the Committee, without approval of the shareholders, may amend or terminate the Plan at any time, except that no amendment shall become effective without prior approval of the shareholders of the Company if (a) shareholder approval would be required by applicable law or regulations, including if required by any listing requirement of the principal stock exchange or national market on which the Common Stock is then listed, (b) such amendment would remove from the Plan a provision which, without giving effect to such

amendment, is subject to shareholder approval, or (c) such amendment would directly or indirectly increase the Share limits set forth in Section 4.

22. Amendment or Substitution of Awards under the Plan.

The terms of any outstanding Award under the Plan may be amended from time to time by the Committee in any manner that it deems appropriate (including, but not limited to, acceleration of the date of exercise of any Award and/or payments thereunder or of the date of lapse of restrictions on Shares); provided that, except as otherwise provided in Section 20, no such amendment shall adversely affect in a material manner any right of a Participant under the Award without his or her written consent, and provided further that, the Committee shall not reduce the exercise price of any Options or SARs awarded under the Plan without approval of the shareholders of the Company. The Committee may, in its discretion, permit holders of Awards under the Plan to surrender outstanding Awards in order to exercise or realize rights under other awards, or in exchange for the grant of new awards, or require holders of Awards to surrender outstanding Awards as a condition precedent to the grant of new awards under the Plan. Notwithstanding the foregoing, the Committee shall not take any of the following actions without shareholder approval, except as provided in Section 20: (a) reduce the exercise price following the grant of an Option or SAR; (b) exchange an Option or SAR which has an exercise price that is greater than the Fair Market Value of a Share for cash or Shares; or (c) cancel an Option or SAR in exchange for a replacement Option or another Award with a lower exercise price. Notwithstanding anything to the contrary in this Plan, in no event shall the Committee amend or modify the distribution terms in any Award or Grant Agreement that has a feature for the deferral of compensation if such amendment would result in taxes, additional interest and/or penalties pursuant to Section 409A of the Code.

23. Termination Date

The date of the most recent amendment and restatement of the Plan is January 1, 2024 (the "Effective Date"). The Plan is the successor to those certain versions thereof that became effective on May 14, 2015, February 19, 2021, and December 7, 2021, and any predecessor versions thereof (collectively, the "Prior Plan"), it being understood that the provisions of the Prior Plan shall remain in effect for an Award granted thereunder to the extent necessary (e.g., to the extent Section 162(m) of the Code applies to such Award, etc.). Unless previously terminated upon the adoption of a resolution of the Board terminating the Plan, the Plan shall terminate on the tenth anniversary of February 19, 2021; provided that, the requisite stockholder approval of the Plan is obtained in connection with the Company's annual meeting of stockholders, it being understood that in the event such stockholder approval is not obtained, the Prior Plan shall remain in effect and this most recent amendment and restatement of the Plan shall be null and void for all purposes. No termination of the Plan shall materially and adversely affect any of the rights or obligations of any person, without his or her written consent, under any Award or other incentives theretofore granted under the Plan.

24. Severability.

Whenever possible, each provision of the Plan shall be interpreted and construed in such manner as to be effective and valid under applicable law, but if any provision of the Plan is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of the Plan.

25. Jurisdiction; Waiver of a Jury Trial.

Any suit, action or proceeding with respect to this Plan or any Grant Agreement, or any judgment entered by any court of competent jurisdiction in respect of any thereof, shall be resolved only in the courts of the State of Delaware or the United States District Court for the District of Delaware and the appellate courts having jurisdiction of appeals in such courts. In that context, and without limiting the generality of the foregoing, the Company and each Participant shall irrevocably and unconditionally (a) submit in any proceeding relating to this Plan or any Grant Agreement, or for the recognition and enforcement of any judgment in respect thereof (a "Proceeding"), to the exclusive jurisdiction of the courts of the State of Delaware, the court of the United States of America for the District of Delaware, and appellate courts having jurisdiction of appeals from any of the foregoing, and agree that all claims in respect of any such Proceeding shall be heard and determined in such Delaware State court or, to the extent permitted by law, in such federal court, (b) consent that any such Proceeding may and shall be brought in such courts and waives any objection that the Company and each Participant may now or thereafter have to the venue or jurisdiction of any such Proceeding in any such court or that such Proceeding was brought in an inconvenient court and agree not to plead or claim the same, (c) waive all right to trial by jury in any Proceeding (whether based on contract, tort or otherwise) arising out of or relating to this Plan or any Grant Agreement, (d) agree that service of process in any such Proceeding may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party, in the case of a Participant, at the Participant's address shown in the books and records of the Company or, in the case of the Company, at the Company's principal offices, attention General Counsel, and (e) agree that nothing in the Plan or a Grant Agreement shall affect the right to effect service of process in any other manner permitted by the laws of the State of Delaware.

26. Governing Law.

The Plan shall be governed by the corporate laws of the State of Delaware, without giving effect to any choice of law provisions that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

(Amended and Restated as of January 1, 2024)

CLEARWAY ENERGY, INC. ANNUAL INCENTIVE PLAN

ARTICLE I

PURPOSE OF THE PLAN

This Plan shall be known as the Clearway Energy, Inc. Annual Incentive Plan (the "Plan"). Clearway Energy, Inc. (the "Company") originally adopted the Plan effective January 1, 2018. The Plan was amended and restated by the Company as of January 1, 2020 and January 1, 2022 and was most recently amended and restated effective as of January 1, 2024. The Plan will remain in effect until terminated by the Board of Directors of the Company (the "Board") or the Compensation Committee of the Board (the "Committee"). The Plan is designed to attract, motivate, and retain in its employ persons of high competence by providing certain employees of the Company, and any applicable Affiliates, an opportunity to earn an annual Award through the achievement of specific pre-established Company and, where applicable, individual performance goals. Capitalized terms and phrases not otherwise defined herein shall have the meanings ascribed thereto in ARTICLE II hereof.

ARTICLE II

DEFINITIONS

For purposes of the Plan, the following terms shall have the meanings set forth below:

Section 2.1 "Affiliate" means (a) any subsidiary corporation of the Company (or its successors), (b) any corporation, trade or business (including, without limitation, a partnership or limited liability company) which is directly or indirectly controlled fifty percent (50%) or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Company (or its successors), or (c) any other entity (including its successors) which is designated as an Affiliate by the Board.

Section 2.2 "Award" means an award provided for under the Plan entitling a Participant to receive an amount payable in cash for a particular performance period on such terms and conditions determined by the Committee in its sole discretion in accordance with the terms hereof and the terms of any such Award.

Section 2.3 "Board" shall have the meaning set forth in ARTICLE I hereof.

Section 2.4 "Cause" means, as to any Participant (a) "Cause", as defined in any employment, consulting or similar agreement between the Participant and the Company or an Affiliate in effect at the time of the Participant's separation, or (b) in the absence of any such employment, consulting or similar agreement (or the absence of any definition of "Cause" contained therein), the occurrence of any of the following:

(i) the Participant's willful misconduct or gross negligence in the performance of the Participant's duties to the Company or an Affiliate that has or could

reasonably be expected to have an adverse effect on the Company or an Affiliate;

(ii) the Participant's willful failure to perform the Participant's duties to the Company or an Affiliate (other than as a result of death or a physical or mental incapacity);

(iii) the Participant's indictment for, conviction of, or pleading of guilty or nolo contendere to, a felony or any crime involving moral turpitude;

(iv) the Participant's performance of any material act of theft, fraud, malfeasance or dishonesty in connection with the performance of the Participant's duties to the Company or an Affiliate;

(v) the Participant's breach of any written agreement between the Participant and the Company or an Affiliate, or the Participant's violation of the Company's code of conduct or other written policy; or

(vi) the Participant's engagement in a Detrimental Activity.

For purposes of the Plan, no such termination for Cause may be made pursuant to subsections (i), (ii) and (v) above, until the Participant has been given written notice detailing the specific Cause event and a period of thirty (30) days following receipt of such notice to cure such event (if susceptible to cure); provided that, the Participant's right to cure shall not apply if there are egregious, habitual or repeated breaches by the Participant.

Section 2.5 "Code Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended, and the Department of Treasury regulations and other official guidance promulgated thereunder.

Section 2.6 "Committee" shall have the meaning set forth in ARTICLE I hereof.

Section 2.7 "Company" shall have the meaning set forth in ARTICLE I hereof.

Section 2.8 "Confidential Information" means any confidential information or proprietary information, relating to the business of the Company or any of its affiliates.

Section 2.9 "Detrimental Activity" means a Participant's: (a) disclosure to anyone outside the Company or any of its Affiliates, or the use in any manner other than in the furtherance of the Company's or any of its affiliates' business, without written authorization from the Company, of any Confidential Information; (b) activity while employed or performing services that results, or if known could result, in the Participant's termination of employment that is classified by the Company as a termination for Cause; (c) during the Restrictive Period, attempt, directly or indirectly, to solicit, induce or hire (or the identification for solicitation, inducement or hiring of) any employee of the Company or any of its affiliates to be employed by, or to perform services for, the Participant or any Person with which the Participant is associated (including, but not limited to, due to the Participant's employment by, consultancy for, equity interest in, or creditor relationship with such Person) or any Person from which the Participant receives direct or indirect compensation or fees as a result of such solicitation, inducement or hire (or the

identification for solicitation, inducement or hire) without, in all cases, written authorization from the Company; (d) during the Restrictive Period, attempt, directly or indirectly, to solicit in a competitive manner any current or prospective customer of the Company or any of its affiliates without, in all cases, written authorization from the Company; (e) making of negative comments regarding, or otherwise disparaging (or inducing others to do so), the Company, its subsidiaries or parents, or any of their respective officers, directors, employees, shareholders, members, agents or products; (f) during the Restrictive Period, without written authorization from the Company, rendering of services in the United States for any organization, or engaging, directly or indirectly, in any business, which is competitive with the Company or its affiliates, or rendering of services to such organization or business if such organization or business is otherwise prejudicial to or in conflict with the interests of the Company or any of its affiliates; provided, however, that competitive activities shall only be those competitive with any business unit or affiliate of the Company with regard to which the Participant performed services at any time within the two (2) years prior to the Participant's termination of employment; or (g) material breach of any agreement between the Participant and the Company or any of its Affiliates (including, without limitation, any employment agreement or any noncompetition, nonsolicitation or other restrictive covenants agreement).

Section 2.10 "Disability" means a disability that entitles the Participant to payment of monthly disability payments under any Company long-term disability plan.

Section 2.11 "Participant" means any service provider of the Company or an Affiliate who is selected to participate in the Plan in accordance with ARTICLE IV hereof.

Section 2.12 "Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof.

Section 2.13 "Plan" shall have the meaning set forth in ARTICLE I hereof.

Section 2.14 "Restrictive Period" means the Participant's dates of employment with the Company or an Affiliate, and additionally for Participants who reside outside of California, the twelve (12) month period immediately following the termination of the Participant's employment with the Company or an Affiliate.

Section 2.15 "Qualified Retirement" means, unless otherwise determined by the Committee, (a) termination of service after at least ten (10) years of service by such employee and (b) attaining at least fifty-five (55) years of age.

Section 2.16 "Severance Eligible Termination" means the involuntary termination of a Participant's employment by the Company or an Affiliate in a manner that makes the Participant eligible to participate in a severance plan sponsored by the Company or an Affiliate. The Committee shall have the authority to determine which, if any, severance plans of the Company or its Affiliates apply toward the existence of a Severance Eligible Termination.

ARTICLE III

ADMINISTRATION

Section 3.1 General. Subject to the provisions of the Plan, the Committee shall be authorized to (a) select Participants, (b) determine the target payment amount of Awards granted to Participants under the Plan, (c) determine the conditions and restrictions, if any, subject to which the payment of Awards will be made, (d) certify that the conditions and restrictions applicable to the payment of any Award have been met, (e) construe and interpret the Plan or any Award, and (f) adopt, amend, or rescind such rules and regulations, and make such other determinations, for carrying out the Plan as it may deem appropriate. Decisions of the Committee on all matters relating to the Plan shall be in the Committee's sole discretion and shall be conclusive and binding upon the Participants, the Company and all other parties. The validity, construction, and effect of the Plan and the rules and regulations relating to the Plan shall be determined in accordance with applicable federal and state laws, rules and regulations promulgated pursuant thereto.

Section 3.2 Plan Expenses. The expenses of the Plan shall be borne by the Company.

Section 3.3 Unfunded Arrangement. Neither the Company nor its Affiliates shall be required to establish any special or separate fund or make any other segregation of assets to assume the payment of any Award under the Plan. The Plan shall be "unfunded" for all purposes and Awards hereunder shall be paid out of the general assets of the Company as and when the Awards are payable under the Plan. All Participants shall be solely unsecured general creditors of the Company. If the Company decides in its sole discretion to establish any advance accrued reserve on its books against the future expense of the Awards payable hereunder, or if the Company decides in its sole discretion to fund a trust from which benefits under the Plan may be paid from time to time, such reserve or trust shall not under any circumstance be deemed to be an asset of the Plan.

Section 3.4 Accounts and Records. The Committee shall maintain such accounts and records regarding the fiscal and other transactions of the Plan and such other data as may be required to carry out its functions under the Plan and to comply with all applicable laws.

Section 3.5 Retention of Professional Assistance. The Committee may employ such legal counsel, accountants and other persons as may be required in carrying out its duties in connection with the Plan.

ARTICLE IV

PARTICIPATION; PAYMENT OF AWARDS

Section 4.1 Participation. Participation in the Plan shall be as determined by the Committee and/or the President and Chief Executive Officer of the Company and set forth in an Award; provided that, in no event shall any such determination of the President and Chief Executive Officer relate to an individual who is an "executive officer" under the Securities Exchange Act of 1934, as amended. For the avoidance of doubt and notwithstanding an Award, no service provider of the Company who is not an employee of the Company or an Affiliate shall have any right to be selected as a Participant. Nothing in the Plan shall interfere with or limit in any way any right of the Company or any of its Affiliates to terminate any Participant's employment or service relationship at any time and for any reason (or no reason), nor confer upon any Participant any right to continued service with the Company or any of its Affiliates for any period of time or to continue such Participant's present (or any other) rate of compensation. No Participant who is provided the opportunity to receive an Award under the Plan shall have any

right to an opportunity to receive future Awards under the Plan. By accepting any payment under the Plan, each Participant and each Person claiming under or through such Participant shall be conclusively deemed to have indicated such Person's acceptance and ratification of, and consent to, any action taken under the Plan by the Company or the Committee. Determinations made by the Committee or the Company under the Plan need not be uniform and may be made selectively among eligible individuals under the Plan, whether or not such individuals are similarly situated.

Section 4.2 Design of Awards. Awards provided under the Plan shall be denominated by reference to performance metrics of the Company, such as EBITDA, free cash flow, and any other factors, as determined by the Committee, and shall represent the right to receive a payment or payments on any terms and conditions as may be determined by the Committee in its sole discretion.

Section 4.3 Vesting of Awards. The Committee may, in its sole discretion, impose such vesting or other restrictions on Awards provided under the Plan as it determines, and may impose vesting conditions on any Award or accelerate the vesting of any Award granted hereunder at any time. The requirements for vesting of an Award may be based on the continued service of the Participant with the Company or its Affiliates for a specified time period (or periods) and/or on the attainment of a specified performance goal (or goals) established by the Committee in its sole discretion.

Section 4.4 Payment of Awards.

(a) General. Awards under the Plan shall be paid in a single lump sum cash payment at such time or times as determined by the Committee in its sole discretion taking into account the requirements of Code Section 409A.

(b) Release. Upon acceptance of payment of any amount pursuant to an Award hereunder, the Participant shall be deemed to have unconditionally released and discharged the Company and any and all of the Company's parent companies, partners, Affiliates, successors and assigns and any and all of its and their past and/or present officers, directors, members, partners, agents, employees and representatives from any and all claims in connection with, or in any manner related to or arising under, the Plan with respect to such Award, including the determination of the amount payable under such Award and any other matter associated therewith.

Section 4.5 No Entitlement to an Award Unless Employed on Date Payment is Made. Unless otherwise determined by the Committee in an Award, a Participant is not entitled to any payment pursuant to an Award unless the Participant is employed by the Company or any of its Affiliates on the date such Award is paid or otherwise settled.

Section 4.6 Impact of Termination of Employment due to death, Disability, and Qualified Retirement. If a Participant's employment terminates due to such Participant's death or Disability, the Participant or his or her estate (in the case of death) may be paid, at the discretion of the Committee, a prorated portion of the target Award based upon the Participant's period of service. Payments of such an Award to a Participant (or his or her estate) who terminates employment due to death or Disability shall be made during the next administratively feasible payroll period following termination of employment (but in no event longer than 2 ½ months after

the end of the calendar year in which the Participant's termination of employment occurs). If a Participant's employment terminates due to such Participant's Qualified Retirement prior to the payment date for an Award, the Participant shall be paid a prorated portion of his or her outstanding Award based upon the Participant's completed period of service during the period that relates to such Award and satisfaction of the underlying performance goals (if any). Payments of Awards to Participants who terminate as a result of Qualified Retirement shall be paid at the same time such Awards would have been paid in the absence of such termination and based upon satisfaction of the underlying performance goal (or goals) (but in no event longer than 2 ½ months after the end of the calendar year in which the Participant's termination of employment occurs).

Section 4.7 Impact of Termination of Employment due to Severance Eligible Termination. A Participant who has involuntarily terminated employment with the Company through a Severance Eligible Termination may be paid, at the discretion of the Committee, a prorated portion of the Award based upon the Participant's period of service. No Participant (or his or her estate) may receive payment under the Plan under this Section 4.7 without first executing and delivering to the Company a complete general release of all claims, known or unknown, against the Company and its affiliates, including employment-related claims and all rights to payments under the Plan within the applicable consideration and/or revocation period provided by the Company (or as applicable, an affiliate). Payments of Awards to Participants under this Section 4.7 shall be made following the completion and irrevocability of the general release of claims referenced in this Section 4.7; provided that, in the event that the applicable period spans two (2) calendar years, payment shall be made in the second calendar year.

Section 4.8 Detrimental Activity. Unless otherwise determined by the Company, (a) in the event that a Participant engages in a Detrimental Activity, all unpaid Awards (whether vested or unvested) that were previously provided to the Participant shall be immediately forfeited without any further action by the Company; and (b) as a condition to receiving any payment in respect of any Award hereunder, the Participant may be required to certify (or shall be deemed to have certified) at the time of payment in a manner acceptable to the Company that the Participant is in compliance with the terms and conditions of the Plan and that the Participant has not engaged in, and does not intend to engage in, any Detrimental Activity. Notwithstanding any other provision of the Plan, nothing in the Plan is intended to, or does, preclude the Participant from (i) disclosing Confidential Information as part of a government investigation; (ii) contacting, reporting to, responding to an inquiry from, filing a charge or complaint with, communicating with, or otherwise participating in an investigation conducted by, any federal, state, or local governmental agency, commission, or regulatory body; (iii) reporting possible violations of federal and/or state law or regulation to any federal, state, or local governmental agency or entity, including with respect to alleged criminal conduct or unlawful employment practices, or from making other disclosures that are protected under the whistleblower provisions of federal and/or state law or regulation; (iv) making truthful statements or disclosures regarding alleged unlawful employment practices; (v) giving truthful testimony or making statements under oath in response to a subpoena or other valid legal process or in any legal proceeding; (vi) otherwise making truthful statements as required by law or valid legal process; (vii) engaging in protected concerted activity under the National Labor Relations Act for the purpose of collective bargaining or other mutual aid or protection, including (A) making disclosures concerning the Plan in aid of such concerted activities; (B) filing unfair labor practice charges with the National Labor Relations Board; (C) assisting others who are filing such charges; or (D) cooperating with the investigative process of the National Labor Relations Board and other government agencies; or (viii) disclosing a trade

secret in confidence to a governmental official, directly or indirectly, or to an attorney, if the disclosure is made solely for the purpose of reporting or investigating a suspected violation of law. Accordingly, the Participant understands that he or she will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. The Participant likewise understands that, if he or she files a lawsuit for retaliation by the Company for reporting a suspected violation of law, he or she may disclose such company's trade secret(s) to his or her attorney and use the trade secret information in the court proceeding, if he or she (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order. The Participant acknowledges that irreparable damage would occur to the Company and its Affiliates if he or she engages in any Detrimental Activity. The Participant agrees that the Company (and/or the applicable Affiliate), without prejudice to any rights or remedies otherwise available, shall be entitled to equitable relief, including, without limitation, specific performance and injunction, in the event the Participant engages in or threatens to engage in any Detrimental Activity without proof of actual damages. The Participant will not oppose the granting of such relief on the basis that the Company (and/or the applicable Affiliate) has an adequate remedy at law. The Participant also will not seek, and will waive any requirement for, the securing or posting of a bond in connection with the Company (and/or applicable Affiliate) seeking or obtaining such relief. Each Affiliate is an express third party beneficiary to the provisions of the Plan, including but not limited to Section 2.9 and this Section 4.8 regarding Detrimental Activity.

Section 4.9 Changes in Capital Structure. In the event that any dividend or other distribution (whether in the form of cash, shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, change in control or exchange of shares or other securities of the Company, or other corporate transaction or event affects an Award, the Committee may, in its sole discretion, take such action as it deems appropriate, including, but not limited to, (a) canceling any outstanding Award, or (b) replacing Awards with substitute awards on such terms and conditions as the Committee determines. Any actions or determinations of the Committee under this Section 4.9 need not be uniform as to all outstanding Awards, nor treat all Participants identically.

ARTICLE V

MISCELLANEOUS

Section 5.1 Successors. For purposes of the Plan, the Company shall include any and all successors or assignees, whether direct or indirect, by purchase, merger, consolidation or otherwise, to all or substantially all of the business or assets of the Company and such successors and assignees shall perform the Company's obligations under the Plan, in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place. In the event that the surviving corporation in any transaction to which the Company is a party is a subsidiary of another corporation, the ultimate parent corporation of such surviving corporation shall cause the surviving corporation to perform the obligations of the Company under the Plan in the same manner and to the same extent that the Company would be required to perform such obligations if no such succession or assignment had taken place. In such

event, the term "Company," as used in the Plan, shall mean the Company, as hereinbefore defined, and any successor or assignee (including the ultimate parent corporation) to the business or assets thereof which by reason hereof becomes bound by the terms and provisions of the Plan. No rights under the Plan shall be assignable by the Participant or subject to any pledge or encumbrance of any nature.

Section 5.2 Nontransferability. No Award or right to receive payment under the Plan may be transferred other than by will or the laws of descent and distribution. Any transfer or attempted transfer of an Award or a right to receive payment under the Plan contrary to this Section 5.2 shall be void. In the event of an attempted transfer by a Participant of an Award or a right to receive payment pursuant to the Plan contrary to this Section 5.2 hereof, the Committee may in its sole discretion terminate such Award or right.

Section 5.3 Withholding Taxes. The Company or any of its Affiliates shall be entitled, if necessary or desirable, to withhold from any amount due and payable by the Company to any Participant (or secure payment from such Participant in lieu of withholding) the amount of any withholding or other tax due from the Company with respect to any amount payable to such Participant under the Plan.

Section 5.4 Amendment and Termination of the Plan. The Committee reserves the right to amend or terminate, in whole or in part, any or all of the provisions of the Plan, including any or all exhibits and annexes attached hereto, or any Award provided hereunder at any time, with or without notice. By receiving any Award pursuant to the Plan, a Participant acknowledges and agrees that certain determinations require certain "judgment calls" by the Committee or the Company and that such determination shall be made in the sole discretion of the Committee or the Company, as applicable. The Plan, together with all exhibits and annexes hereto and any Award made pursuant to the Plan, sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes any and all prior agreements or understandings between a Participant and the Company with respect to the subject matter hereof.

Section 5.5 Severability. Whenever possible, each provision of the Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Plan is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of the Plan.

Section 5.6 Titles and Headings. The headings and titles used in the Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan.

Section 5.7 Governing Law. For Participants who do not reside in California, the Plan shall be construed in accordance with and governed by the laws of the state of Delaware (without regard to the legislative or judicial conflict of laws rules of any state), except to the extent superseded by federal law. For Participants who reside in California, the Plan shall be construed in accordance with and governed by the laws of the state of California, except to the extent superseded by federal law.

Section 5.8 Clawback. If the Company, or any of its Affiliates, is required to prepare an accounting restatement due to the noncompliance of the Company or Affiliate with any financial reporting requirement under the securities laws, then any Participant who has been paid

an Award under the Plan based upon or affected by the restated financial report shall be required, at the discretion of the Committee or pursuant to applicable policies of the Company or as required under applicable law, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, to reimburse the Company for all or any portion of such Award paid to such Participant.

Section 5.9 Code Section 409A. Although the Company makes no guarantee with respect to the tax treatment of payments hereunder and shall not be responsible in any event with regard to non-compliance with Code Section 409A, the Plan is intended to either comply with, or be exempt from, the requirements of Code Section 409A. To the extent that the Plan is not exempt from the requirements of Code Section 409A, the Plan is intended to comply with the requirements of Code Section 409A and shall be limited, construed and interpreted in accordance with such intent. Notwithstanding any provision herein to the contrary, if at the time of the Participant's separation from service within the meaning of Code Section 409A, the Participant is a "specified employee" within the meaning of Code Section 409A, any payment hereunder that constitutes a "deferral of compensation" under Code Section 409A and that would otherwise become due on account of such separation from service shall be delayed, and payment shall be made in full upon the earlier of (a) a date during the thirty (30)-day period commencing six (6) months and one (1) day following such separation from service and (b) the date of the Participant's death. Notwithstanding the foregoing, in no event whatsoever shall the Company be liable for any additional tax, interest, income inclusion or other penalty that may be imposed on a Participant by Code Section 409A or for damages for failing to comply with Code Section 409A.

Section 5.10 No Acquired Rights. All Awards are made under the Plan at the Company's or Committee's discretion. The Company assumes no obligation to a Participant under the Plan with respect to any doctrine or principle of acquired rights or similar concept.

Section 5.11 Accounting Changes. The Plan shall not be construed to limit or prevent the Company from adopting or changing any accounting rules, standards, or procedures.

Section 5.12 Beneficiaries. Unless otherwise determined by the Company or provided in an Award, if a Participant dies while any Award is outstanding, then any amounts paid pursuant to an Award (if any) shall be paid to the Participant's estate.

EXHIBIT 21.1

SUBSIDIARIES OF CLEARWAY ENERGY LLC

Entity Name		Jurisdiction
2011 Finance Holdco LLC		Delaware
AC Solar Holdings LLC		Delaware
Adams Community Solar Garden I LLC		Colorado
Adams Community Solar Garden II LLC		Colorado
Adams Community Solar Garden III LLC		Colorado
Adams Community Solar Gardens LLC		Colorado
Agua Caliente Borrower 1 LLC		Delaware
Agua Caliente Borrower 2 LLC		Delaware
Agua Caliente Solar Holdings LLC		Delaware
Agua Caliente Solar, LLC		Delaware
Alta Interconnection Management II, LLC		Delaware
Alta Interconnection Management III, LLC		Delaware
Alta Interconnection Management, LLC		Delaware
Alta Landco LLC		Delaware
Alta Realty Holdings, LLC		Delaware
Alta Realty Investments, LLC		Delaware
Alta Vista LLC		Delaware
Alta Wind 1-5 Holding Company, LLC		Delaware
Alta Wind Asset Management Holdings, LLC		Delaware
Alta Wind Asset Management, LLC		Delaware
Alta Wind Company, LLC		Delaware
Alta Wind Holdings, LLC		Delaware
Alta Wind I Holding Company, LLC		Delaware
Alta Wind I, LLC		Delaware
Alta Wind II Holding Company, LLC		Delaware
Alta Wind II, LLC		Delaware
Alta Wind III Holding Company, LLC		Delaware
Alta Wind III, LLC		Delaware
Alta Wind IV Holding Company, LLC		Delaware
Alta Wind IV, LLC		Delaware
Alta Wind V Holding Company, LLC		Delaware
Alta Wind V, LLC		Delaware
Alta Wind X Holding Company, LLC		Delaware
Alta Wind X, LLC		Delaware
Alta Wind XI Holding Company, LLC		Delaware
Alta Wind XI, LLC		Delaware
Alta Wind X-XI TE Holdco LLC		Delaware
Apple I LLC		Delaware
Arapahoe Community Solar Garden I LLC		Colorado
Arica Solar Pledgor LLC		Delaware
Arica Solar, LLC		Delaware
Avenal Park LLC		Delaware

SUBSIDIARIES OF CLEARWAY ENERGY LLC

Entity Name		Jurisdiction
Avenal Solar Holdings LLC		Delaware
Bashaw Solar 1, LLC		Delaware
Big Lake Holdco LLC		Delaware
Black Cat Road Solar, LLC		Delaware
Black Rock Class B Holdco LLC		Delaware
Black Rock TE Holdco LLC		Delaware
Black Rock Wind Force, LLC		Delaware
Black Rock Wind Holding LLC		Delaware
Black Start Battery Holdings LLC		Delaware
Black Start Battery LLC		Delaware
Bluestone Solar, LLC		Delaware
BMP Wind LLC		Delaware
Broken Bow Wind, LLC		Delaware
Brook Street Solar 1, LLC		Delaware
Buckthorn Holdings, LLC		Delaware
Buckthorn Renewables, LLC		Delaware
Buckthorn Solar Portfolio, LLC		Delaware
Buckthorn Westex, LLC		Delaware
Buffalo Bear, LLC		Oklahoma
Bullock Road Solar 1, LLC		Delaware
BWC Swan Pond River, LLC		Delaware
Capistrano Portfolio Holdco LLC		Delaware
Capistrano Portfolio Holdings LLC		Delaware
Carlsbad Energy Center LLC		Delaware
Carlsbad Energy Holdings LLC		Delaware
Carlsbad Holdco II, LLC		Delaware
Carlsbad Holdco, LLC		Delaware
CBAD Holdings II, LLC		Delaware
CBAD Holdings, LLC		Delaware
Cedar Creek Wind Holdco LLC		Delaware
Cedar Creek Wind Holdings LLC		Delaware
Cedro Hill BL Borrower Holdco LLC		Delaware
Cedro Hill Class B Member LLC		Delaware
Cedro Hill TE Holdco LLC		Delaware
Cedro Hill Wind LLC		Delaware
Center St Solar 1, LLC		Delaware
Chestnut Class B LLC		Delaware
Chestnut Fund Sub LLC		Delaware
Chisago Holdco LLC		Delaware
Clara City Solar LLC		Delaware
Clearway & EFS Distributed Solar LLC		Delaware
Clearway AC Solar Holdings LLC		Delaware

SUBSIDIARIES OF CLEARWAY ENERGY LLC

Entity Name		Jurisdiction
Clearway Chestnut Fund LLC		Delaware
Clearway DG Lakeland LLC		Delaware
Clearway Energy Operating LLC		Delaware
Clearway Solar Star LLC		Delaware
Clearway Walnut Creek II LLC		Delaware
Clearway West Holdings LLC		Delaware
CMR Solar, LLC		Delaware
Colorado Shared Solar I LLC		Delaware
Colorado Springs Solar Garden LLC		Colorado
Continental Energy, LLC		Arizona
Crofton Bluffs Wind, LLC		Delaware
CVSR Holdco LLC		Delaware
CVSR Holdings LLC		Delaware
CWEN Pinnacle Repowering Holdco LLC		Delaware
CWEN Pinnacle Repowering Holdings LLC		Delaware
CWSP Rattlesnake Holding LLC		Delaware
Daggett 2 Class B LLC		Delaware
Daggett 2 Project Sub II LLC		Delaware
Daggett 2 Project Sub LLC		Delaware
Daggett 2 TargetCo LLC		Delaware
Daggett 2 TE Holdco LLC		Delaware
Daggett 3 Project Sub II LLC		Delaware
Daggett 3 Project Sub LLC		Delaware
Daggett Class B LLC		Delaware
Daggett Renewable Holdco LLC		Delaware
Daggett Solar Holdco LLC		Delaware
Daggett Solar Investment LLC		Delaware
Daggett Solar Power 2 LLC		Delaware
Daggett Solar Power 3 LLC		Delaware
Daggett TargetCo LLC		Delaware
Daggett TE Holdco LLC		Delaware
Dan's Mountain Parent Holdco LLC		Delaware
Dan's Mountain Parent Holdings LLC		Delaware
Denver Community Solar Garden I LLC		Colorado
Denver Community Solar Garden II LLC		Colorado
Desert Sunlight 250, LLC		Delaware
Desert Sunlight 300, LLC		Delaware
Desert Sunlight Holdings LLC		Delaware
Desert Sunlight Investment Holdings, LLC		Delaware
DG Berkeley Rec LLC		Delaware
DG Berkeley Village LLC		Delaware
DG Central East LLC		Delaware

SUBSIDIARIES OF CLEARWAY ENERGY LLC

Entity Name		Jurisdiction
DG Central West LLC		Delaware
DG Contra Costa Operations LLC		Delaware
DG Contra Costa Waste LLC		Delaware
DG Crystal Spring LLC		Delaware
DG Dighton LLC		Delaware
DG Foxborough Elm LLC		Delaware
DG Foxborough Landfill LLC		Delaware
DG Grantland LLC		Delaware
DG Haverhill LLC		Delaware
DG Imperial Admin LLC		Delaware
DG Imperial Building LLC		Delaware
DG Lathrop Louise LLC		Delaware
DG Lincoln Middle LLC		Delaware
DG Marathon LLC		Delaware
DG Rosedale Elementary LLC		Delaware
DG Rosedale Middle LLC		Delaware
DG San Joaquin LLC		Delaware
DG SREC HoldCo LLC		Delaware
DG SREC Holdings 1 LLC		Delaware
DG Tufts Knoll LLC		Delaware
DG Tufts Science LLC		Delaware
DG Washington Middle LLC		Delaware
DG Webster LLC		Delaware
DG-CS Holdco LLC		Delaware
DG-CS Holdings LLC		Delaware
DG-CS Master Borrower LLC		Delaware
DGPV 1 LLC		Delaware
DGPV 2 LLC		Delaware
DGPV 3 LLC		Delaware
DGPV 4 LLC		Delaware
DGPV Fund 1 LLC		Delaware
DGPV Fund 2 HoldCo A LLC		Delaware
DGPV Fund 2 HoldCo B LLC		Delaware
DGPV Fund 2 LLC		Delaware
DGPV Fund 4 LLC		Delaware
DGPV Fund 4 Sub LLC		Delaware
DGPV Holding LLC		Delaware
Dodge Holdco LLC		Delaware
Eastman Street Solar 1, LLC		Delaware
El Mirage Energy, LLC		Arizona
El Segundo Energy Center LLC		Delaware
Elbow Creek Repowering Tax Equity Holdco LLC		Delaware

SUBSIDIARIES OF CLEARWAY ENERGY LLC

Entity Name		Jurisdiction
Elbow Creek Wind Project LLC		Texas
Elkhorn Holdings LLC		Delaware
Elkhorn Ridge Wind, LLC		Delaware
Enterprise Solar, LLC		Delaware
Escalante Solar I, LLC		Delaware
Escalante Solar II, LLC		Delaware
Escalante Solar III, LLC		Delaware
ETCAP NES CS MN 02 LLC		Delaware
ETCAP NES CS MN 06 LLC		Delaware
Farmington Holdco LLC		Delaware
Federal Road Solar 1, LLC		Delaware
Forest Lake Holdco LLC		Delaware
Forward WindPower LLC		Delaware
Four Brothers Holdings, LLC		Delaware
Four Brothers Solar, LLC		Delaware
Frontenac Holdco LLC		Delaware
FUSD Energy, LLC		Arizona
GCE Holding LLC		Connecticut
GenConn Devon LLC		Connecticut
GenConn Energy LLC		Connecticut
GenConn Middletown LLC		Connecticut
Goat Wind LLC		Texas
Golden Fields Solar III, LLC		Delaware
Golden Puma Fund LLC		Delaware
Grabinski Solar, LLC		Delaware
Granite Mountain Holdings, LLC		Delaware
Granite Mountain Renewables, LLC		Delaware
Granite Mountain Solar East, LLC		Delaware
Granite Mountain Solar West, LLC		Delaware
High Plains Ranch II, LLC		Delaware
HLE Solar Holdings, LLC		Delaware
HSD Solar Holdings, LLC		California
Hwy 14 Holdco LLC		Delaware
Iron Springs Holdings, LLC		Delaware
Iron Springs Renewables, LLC		Delaware
Iron Springs Solar, LLC		Delaware
Langford Class B Holdco LLC		Delaware
Langford Holding LLC		Delaware
Langford Tax Equity Partnership LLC		Delaware
Langford Wind Power, LLC		Texas
Lanikuhana Solar, LLC		Hawaii
Laredo Ridge Wind, LLC		Delaware

SUBSIDIARIES OF CLEARWAY ENERGY LLC

Entity Name		Jurisdiction
Lenape II Solar LLC		Delaware
Lighthouse Renewable Class A LLC		Delaware
Lighthouse Renewable Holdco 2 LLC		Delaware
Lighthouse Renewable Holdco LLC		Delaware
Lighthouse Renewable Holding Sub LLC		Delaware
Lighthouse Renewable Holdings LLC		Delaware
Lindberg Field Solar 1, LLC		Delaware
Lindberg Field Solar 2, LLC		Delaware
Longhorn Energy, LLC		Arizona
Lookout WindPower LLC		Delaware
Mapleton Solar LLC		Delaware
Marsh Landing Holdco LLC		Delaware
Marsh Landing Holdings LLC		Delaware
Marsh Landing LLC		Delaware
MC1 Solar Farm, LLC		North Carolina
Mesquite Sky Class B Holdco LLC		Delaware
Mesquite Sky Holding LLC		Delaware
Mesquite Sky TE Holdco LLC		Delaware
Mesquite Star Class B Holdco LLC		Delaware
Mesquite Star Special, LLC		Delaware
Mesquite Star Tax Equity Holdco LLC		Delaware
Mililani BL Borrower Holdco LLC		Delaware
Mililani Class B Member Holdco LLC		Delaware
Mililani I Solar, LLC		Delaware
Mililani TE Holdco LLC		Delaware
Minisink Solar 1, LLC		Delaware
Minisink Solar 2, LLC		Delaware
Mission Iowa Wind, LLC		California
Mission Minnesota Wind II, LLC		Delaware
Mission Wind Broken Bow, LLC		Delaware
Mission Wind Cedro, LLC		Delaware
Mission Wind Crofton Bluffs, LLC		Delaware
Mission Wind Laredo, LLC		Delaware
Mission Wind New Mexico, LLC		Delaware
Mission Wind Oklahoma, LLC		Delaware
Mission Wind PA One, LLC		Delaware
Mission Wind PA Three, LLC		Delaware
Mission Wind PA Two, LLC		Delaware
Mission Wind Pennsylvania, LLC		Delaware
Mission Wind Utah, LLC		Delaware
Mission Wind Wyoming, LLC		Delaware
Monster Energy, LLC		Arizona

SUBSIDIARIES OF CLEARWAY ENERGY LLC

Entity Name		Jurisdiction
Montevideo Solar LLC		Delaware
Mount Hope Solar 1, LLC		Delaware
Mountain Wind Power II LLC		Delaware
Mountain Wind Power, LLC		Delaware
Natural Gas CA Holdco LLC		Delaware
Natural Gas CA Holdings LLC		Delaware
Natural Gas Repowering LLC		Delaware
NedPower Mount Storm LLC		Delaware
New Munich Solar LLC		Delaware
NIMH Solar HoldCo LLC		Delaware
NIMH Solar Holdings LLC		Delaware
NIMH Solar LLC		Delaware
Northfield Holdco LLC		Delaware
NS Smith, LLC		Delaware
Oahu Renewables, LLC		Delaware
Oahu Solar Holdings LLC		Delaware
Oahu Solar LLC		Delaware
OC Solar 2010, LLC		California
Ocotillo Windpower Holdco 2 LLC		Delaware
Ocotillo Windpower Holdco LLC		Delaware
Ocotillo Windpower Holdings LLC		Delaware
Ocotillo Windpower, LP		Delaware
Odin Wind Farm LLC		Minnesota
Old Westminster Solar 1, LLC		Delaware
Old Westminster Solar 2, LLC		Delaware
Olinda Trail Solar LLC		Delaware
Osakis Solar LLC		Delaware
OWF Eight, LLC		Minnesota
OWF Five, LLC		Minnesota
OWF Four, LLC		Minnesota
OWF One, LLC		Minnesota
OWF Seven, LLC		Minnesota
OWF Six, LLC		Minnesota
OWF Three, LLC		Minnesota
OWF Two, LLC		Minnesota
Partridgeville Road Solar 1, LLC		Delaware
PAWVA Wind Holdco LLC		Delaware
PAWVA Wind Holdings LLC		Delaware
PC Dinuba LLC		Delaware
PESD Energy, LLC		Arizona
Pikes Peak Solar Garden I LLC		Colorado
Pine Island Holdco LLC		Delaware

SUBSIDIARIES OF CLEARWAY ENERGY LLC

Entity Name		Jurisdiction
Pinnacle Repowering Partnership Holdco LLC		Delaware
Pinnacle Repowering Partnership LLC		Delaware
Pinnacle Repowering Tax Equity Holdco LLC		Delaware
Pinnacle Wind, LLC		Delaware
PM Solar Holdings, LLC		California
Pond Road Solar, LLC		Delaware
Portfolio Solar I, LLC		Delaware
Puma Class B LLC		Delaware
Rattlesnake Class B LLC		Delaware
Rattlesnake Flat, LLC		Delaware
Rattlesnake TE Holdco LLC		Delaware
Redbrook Solar 1, LLC		Delaware
Renew Canal 1 LLC		Delaware
Renew Solar CS4 Class B LLC		Delaware
Renew Solar CS4 Fund LLC		Delaware
Renew Spark 2 LLC		Delaware
Repowering Partnership Holdco LLC		Delaware
Repowering Partnership II LLC		Delaware
Rollingstone Holdco LLC		Delaware
Rosamond Solar Holdco LLC		Delaware
Rosamond Solar Investment LLC		Delaware
Rosie BESS Devco LLC		Delaware
Rosie Class B LLC		Delaware
Rosie Project HoldCo LLC		Delaware
Rosie TargetCo LLC		Delaware
Rosie TE HoldCo LLC		Delaware
Rounseville Solar 1, LLC		Delaware
RPV Holding LLC		Delaware
San Juan Mesa Investments, LLC		Delaware
San Juan Mesa Wind Project, LLC		Delaware
Sand Drag LLC		Delaware
Sartell Solar LLC		Delaware
SCDA Solar 1, LLC		Delaware
SCWFD Energy, LLC		Arizona
SJA Solar LLC		Delaware
Sleeping Bear, LLC		Delaware
Solar Alpine LLC		Delaware
Solar Apple LLC		Delaware
Solar AV Holdco LLC		Delaware
Solar Avra Valley LLC		Delaware
Solar Blythe II LLC		Delaware
Solar Blythe LLC		Delaware

SUBSIDIARIES OF CLEARWAY ENERGY LLC

Entity Name		Jurisdiction
Solar Borrego Holdco LLC		Delaware
Solar Borrego I LLC		Delaware
Solar Community 1 LLC		Delaware
Solar Community Holdco LLC		Delaware
Solar CVSR Holdings LLC		Delaware
Solar Flagstaff One LLC		Delaware
Solar Iguana LLC		Delaware
Solar Kansas South Holdings LLC		Delaware
Solar Kansas South LLC		Delaware
Solar Las Vegas MB 1 LLC		Delaware
Solar Las Vegas MB 2 LLC		Delaware
Solar Mayfair LLC		Delaware
Solar Mule LLC		Delaware
Solar Oasis LLC		Delaware
Solar Roadrunner Holdings LLC		Delaware
Solar Roadrunner LLC		Delaware
Solar Tabernacle LLC		Delaware
Solar Warren LLC		Delaware
Solar Wauwinet LLC		Delaware
Solar West Shaft LLC		Delaware
South Trent Holdings LLC		Delaware
South Trent Wind LLC		Delaware
Spanish Fork Wind Park 2, LLC		Utah
SPP Asset Holdings, LLC		Delaware
SPP Fund II Holdings, LLC		Delaware
SPP Fund II, LLC		Delaware
SPP Fund II-B, LLC		Delaware
SPP Fund III, LLC		Delaware
SPP Lease Holdings, LLC		Delaware
SPP P-IV Master Lessee, LLC		Delaware
Spring Canyon Energy II LLC		Delaware
Spring Canyon Energy III LLC		Delaware
Spring Canyon Expansion Class B Holdings LLC		Delaware
Spring Canyon Expansion Holdings LLC		Delaware
Spring Canyon Expansion LLC		Delaware
Spring Canyon Interconnection LLC		Delaware
Spring Street Solar 1, LLC		Delaware
Stafford St Solar 1, LLC		Delaware
Stafford St Solar 2, LLC		Delaware
Stafford St Solar 3, LLC		Delaware
Stearns Solar I LLC		Delaware
Steel Bridge Solar, LLC		Delaware

SUBSIDIARIES OF CLEARWAY ENERGY LLC

Entity Name		Jurisdiction
Sun City Project LLC		Delaware
TA - High Desert, LLC		California
Taloga Wind, L.L.C.		Oklahoma
Tapestry Wind, LLC		Delaware
Texas Solar Nova 1, LLC		Delaware
Topeka Solar 1, LLC		Delaware
TOS Solar 1, LLC		Delaware
TOS Solar 2, LLC		Delaware
TOS Solar 4, LLC		Delaware
TOS Solar 5, LLC		Delaware
TSN1 BL Borrower Holdco LLC		Delaware
TSN1 Class B Member LLC		Delaware
TSN1 TE Holdco LLC		Delaware
Tully Farms Solar 1, LLC		Delaware
Underhill Solar, LLC		Delaware
Utah Solar Holdings II LLC		Delaware
Utah Solar Holdings LLC		Delaware
Utah Solar Master HoldCo LLC		Delaware
Utah Solar Master Holdings LLC		Delaware
Vail Energy, LLC		Arizona
Victory Pass I, LLC		Delaware
Victory Pass Pledgor LLC		Delaware
Viento Funding II, LLC		Delaware
Viento Funding, LLC		Delaware
VP-Arica Class B LLC		Delaware
VP-Arica Parent Holdco LLC		Delaware
VP-Arica Parent Holdings LLC		Delaware
VP-Arica TargetCo LLC		Delaware
VP-Arica TE Holdco LLC		Delaware
Wabasha Holdco LLC		Delaware
Wabasha Solar II LLC		Delaware
Wabasha Solar III LLC		Delaware
Wabasha Solar LLC		Delaware
Waiawa Solar Power LLC		Delaware
Waipio PV, LLC		Delaware
Walnut Creek Energy, LLC		Delaware
Walnut Creek LLC		Delaware
Waterford Holdco LLC		Delaware
WCEP Holdings, LLC		Delaware
Webster Holdco LLC		Delaware
WECAT LLC		Delaware

SUBSIDIARIES OF CLEARWAY ENERGY LLC

Entity Name		Jurisdiction
Wildcat Energy, LLC		Arizona
Wildorado Interconnect, LLC		Texas
Wildorado Repowering Tax Equity Holdco LLC		Delaware
Wildorado Wind, LLC		Texas
Wilmarth Lane Solar 1, LLC		Delaware
Wind TE Holdco LLC		Delaware
Winona Solar I LLC		Delaware
Winona Solar II LLC		Delaware
WSD Solar Holdings, LLC		Delaware
WV Wind Holdco LLC		Delaware
WV Wind Holdings LLC		Delaware
Zephyr Oahu Partnership LLC		Delaware

EXHIBIT 31.1

CERTIFICATION

I, Christopher S. Sotos, certify that:

1. I have reviewed this annual report on Form 10-K of Clearway Energy LLC;

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

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

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

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

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

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

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

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

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

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

/s/ CHRISTOPHER S. SOTOS

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

Date: February 22, 2024

EXHIBIT 31.2

CERTIFICATION

I, Sarah Rubenstein, certify that:

1. I have reviewed this annual report on Form 10-K of Clearway Energy LLC;

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

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

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

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

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

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

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

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

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

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

/s/ SARAH RUBENSTEIN

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

Date: February 22, 2024

EXHIBIT 32

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

In connection with the Annual Report of Clearway Energy LLC on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-K”), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

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

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

Date: February 22, 2024

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

/s/ SARAH RUBENSTEIN
Sarah Rubenstein
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

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

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

CLEARWAY ENERGY, INC.
POLICY ON RECOUPMENT OF INCENTIVE COMPENSATION

Introduction

The Compensation Committee (the "Compensation Committee") of the Board of Directors (the "Board") of Clearway Energy, Inc. (the "Company") has adopted this Policy on Recoupment of Incentive Compensation (this "Policy"), which provides for the recoupment of compensation in certain circumstances in the event of a restatement of financial results by the Company. This Policy is intended to comply with the requirements of Securities and Exchange Commission ("SEC") rules and the New York Stock Exchange (the "NYSE") listing standards implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act").

Administration

This Policy shall be administered by the Compensation Committee. Any determinations made by the Compensation Committee shall be final and binding on all affected individuals. The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy, in all cases consistent with the Dodd-Frank Act. The Board or Compensation Committee may amend this Policy from time to time in its discretion.

Covered Executives

This Policy applies to any current or former "executive officer," within the meaning of Rule 10D-1 under the Securities Exchange Act of 1934, as amended, and NYSE Rule 303A.14, who was employed by the Company or a subsidiary or parent company thereof (each such individual, an "Executive") during the applicable Recovery Period, as defined below. This Policy shall be binding and enforceable against all Executives and their beneficiaries, executors, administrators, and other legal representatives.

Recoupment Upon Financial Restatement

If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "Financial Restatement"), the Compensation Committee shall direct the Company to recoup from each Executive, as promptly as reasonably possible, any erroneously awarded Incentive-Based Compensation, as defined below.

No-Fault Recovery

Recoupment under this Policy shall be required regardless of whether the Executive or any other person was at fault or responsible for accounting errors that contributed to the need for the Financial Restatement or engaged in any misconduct.

Compensation Subject to Recovery; Enforcement

This Policy applies to all compensation granted, earned or vested based wholly or in part upon the attainment of any measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measures, whether or not presented within the Company's financial statements or included in a filing with the SEC, including stock price and total shareholder return ("TSR"), including but not limited to performance-based cash, stock, options, or other equity-based awards paid or granted to the Executive ("Incentive-Based Compensation"). Compensation that is granted, vests or is earned based solely upon the occurrence of non-financial events, such as base salary, restricted stock or options with time-based vesting, or a bonus awarded solely at the discretion of the Board or Compensation Committee and not based on the attainment of any financial measure is not subject to this Policy.

In the event of a Financial Restatement, the amount to be recovered will be the excess of (i) the Incentive-Based Compensation received by the Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare the Financial Restatement, as determined in accordance with the last sentence of this paragraph, or any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years (provided that a transition period between the last day of the Company's previous fiscal year and the first day of its new fiscal year that comprises a period of nine to twelve months would be deemed a completed fiscal year) (the "Recovery Period"), based on the erroneous data and calculated without regard to any taxes paid or withheld, over (ii) the Incentive-Based Compensation that would have been received by the Executive had it been calculated based on the restated financial information, as determined by the Compensation Committee. For this purpose, Incentive-Based Compensation is considered to have been received by an Executive in the fiscal year during which the applicable financial reporting measure was attained or purportedly attained, regardless of when the payment or grant of such Incentive-Based Compensation occurs. The date on which the Company is required to prepare a Financial Restatement is the earlier to occur of (A) the date the Board or a Board committee (or authorized officers of the Company if Board action is not required) concludes, or reasonably should have concluded, that the Company is required to prepare a Financial Restatement or (B) the date a court, regulator, or other legally authorized body directs the Company to prepare a Financial Restatement.

For Incentive-Based Compensation based on stock price, including similar measures, such as TSR, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in the Financial Restatement, the Compensation Committee shall determine the amount to be recovered based on a reasonable estimate of the effect of the Financial Restatement on the stock price or similar measure upon which the Incentive-Based Compensation was received and the Company shall document the determination of that estimate and provide it to the NYSE.

The Company may use any legal or equitable remedies that are available to the Company to recoup any erroneously awarded Incentive-Based Compensation, including but not limited to collecting from the Executive a cash payment or shares of Company common stock or forfeiting any amounts that the Company owes to the Executive.

No Indemnification

The Company shall not indemnify any Executive or pay or reimburse the premium for any insurance policy to cover any losses incurred by such Executive under this Policy.

Exceptions

The compensation recouped under this Policy shall not include Incentive-Based Compensation received by an Executive (i) prior to beginning service as an Executive or (ii) if he or she did not serve as an Executive at any time during the applicable Recovery Period. The Compensation Committee may determine not to seek recovery from an Executive in whole or part to the extent it determines in its sole discretion that such recovery would be impractical because (A) the direct expense paid to a third party to assist in enforcing recovery would exceed the recoverable amount (after having made a reasonable attempt to recover the erroneously awarded Incentive-Based Compensation and providing corresponding documentation of such attempt to the NYSE), (B) recovery would violate the home country law that was adopted prior to November 28, 2022, as determined by an opinion of counsel licensed in the applicable jurisdiction that is acceptable to and provided to the NYSE, or (C) recovery would likely cause the Company's 401(k) plan or any other tax-qualified retirement plan to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

Other Remedies Not Precluded

The exercise by the Compensation Committee of any rights pursuant to this Policy shall be without prejudice to any other rights or remedies that the Company, the Board or the Compensation Committee may have with respect to any Executive subject to this Policy.

Intent

The Compensation Committee intends that this Policy be broadly implemented, including without limitation, through the inclusion of provisions in compensation plans and agreements that permit the Company to seek the return of such bonuses and other incentive-based compensation from persons covered by this Policy, as applicable, and in such manner as contemplated by this Policy.

Effective Date

This Policy has been adopted by the Compensation Committee on July 28, 2023, to be effective as of October 2, 2023 (the "Effective Date") and shall apply to any Incentive-Based Compensation that is received by an Executive on or after the Effective Date.