UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K/A

(Amendment No. 1)

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

For the Fiscal Year ended December 31, 2019

☐ **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 o No x

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 o No x

Indicate by check mark whether the registrant (1) has filed all reports 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 o No o

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 x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or 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. o

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

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 March 24, 2020
Class A Units	34,599,645
Class B Units	42,738,750
Class C Units	79,329,761
Class D Units	42,738,750

Documents Incorporated by Reference: None.

Explanatory Note

On March 2, 2020, Clearway Energy LLC (the "Company") filed with the Securities and Exchange Commission its Annual Report on Form 10-K for the year ended December 31, 2019.

This Amendment No. 1 to Form 10-K (this "Amendment") of the Company is being filed solely to amend Item 15 of Part IV to include the consolidated financial statements of DGPV Holdco 3 LLC and Subsidiaries ("DGPV Holdco 3") as required under Rule 3-09 of Regulation S-X. The financial statements of DGPV Holdco 3 for its fiscal year ended December 31, 2019 were not available at the time the Company filed its Annual Report on Form 10-K. The required financial statements are now provided as Exhibit 99.1 to this Amendment.

Item 15(c) is the only portion of the Company's Annual Report on Form 10-K being supplemented or amended by this Amendment. Except as set forth herein, this Amendment does not change or update any other information set forth in the original filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2019, and does not reflect events occurring after the original filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2019. This Amendment consists solely of the preceding cover page, this explanatory note, the information required by Item 15(c) of Form 10-K as provided in Exhibit 99.1, an updated exhibit index, a signature page, and the certifications required to be filed as exhibits hereto.

PART IV

Item 15 — Exhibits, Financial Statement Schedules

(a)(1) Financial Statements

The following consolidated financial statements of Clearway Energy, Inc. and related notes thereto, together with the reports thereon of KPMG LLP, were included in Item 15 of Clearway Energy LLC's Annual Report on Form 10-K filed on March 2, 2020:

Consolidated Statements of Operations — Years ended December 31, 2019, 2018 and 2017

Consolidated Statements of Comprehensive (Loss) Income — Years ended December 31, 2019, 2018 and 2017

Consolidated Balance Sheets — As of December 31, 2019 and 2018

Consolidated Statements of Cash Flows — Years ended December 31, 2019, 2018 and 2017

Consolidated Statements of Members' Equity — Years ended December 31, 2019, 2018 and 2017

Notes to Consolidated Financial Statements

(a)(2) Not applicable

(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) Separate financial statements of subsidiaries not consolidated and fifty percent or less owned persons

The following financial statements of DGPV Holdco 3 LLC are required under Rule 3-09 of Regulation S-X and are incorporated by reference to Item 15 of this report. They should be read in conjunction with the Consolidated Financial Statements:

DGPV Holdco 3 LLC Consolidated Financial Statements for the years ended December 31, 2019 and 2018 are included as Exhibit 99.1 to Amendment No. 1 to Clearway Energy, Inc.'s Annual Report on Form 10-K

EXHIBIT INDEX

Number	Description	Method of Filing
2.1	Purchase and Sale Agreement, dated as of May 5, 2014, by and between NRG Gas Development Company, LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.1 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on May 9, 2014.
2.2	Purchase and Sale Agreement, dated as of May 5, 2014, by and between NRG Solar PV LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.2 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on May 9, 2014.
2.3	Purchase and Sale Agreement, dated as of May 5, 2014, by and between NRG Solar PV LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.3 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on May 9, 2014.
2.4	Purchase and Sale Agreement, dated June 3, 2014, by and among NRG Yield, Inc., NRG Yield Operating LLC, Terra-Gen Finance Company, LLC, NTD AWAM Holdings, LLC, CHIPS Alta Wind X Holding Company, LLC and CHIPS Alta Wind XI Holding Company, LLC.	Incorporated herein by reference to Exhibit 10.1 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on June 9, 2014.
2.5	Purchase and Sale Agreement, dated as of November 4, 2014, by and between NRG Wind LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.1 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on November 7, 2014.
2.6	Purchase and Sale Agreement, dated as of November 4, 2014, by and between NRG Arroyo Nogales LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.2 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on November 7, 2014.
2.7*^	Purchase and Sale Agreement, dated as of June 17, 2015, by and between EFS Desert Sun, LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.1 to Clearway Energy, Inc.'s Quarterly Report on Form 10-Q filed on August 4, 2015.
2.8	Purchase and Sale Agreement, dated as of September 17, 2015, by and between NRG Energy Gas & Wind Holdings, Inc. and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.1 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on September 21, 2015.
2.9	Purchase and Sale Agreement, dated as of August 8, 2016, between NRG Solar CVSR Holdings 2 LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.1 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on August 9, 2016.
2.10*	Purchase and Sale Agreement, dated as of February 6, 2018, by and between NRG Gas Development Company, LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.10 to Clearway Energy, Inc.'s Annual Report on Form 10-K filed on March 1, 2018.
2.11*	Purchase and Sale Agreement, dated as of December 6, 2019, by and between Clearway Energy Operating LLC and GIP III Zephyr Carlsbad Holdings, LLC.	Incorporated herein by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed on December 9, 2019.
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 August 5, 2014, among NRG Yield Operating LLC, the guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.1 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on August 5, 2014.
4.2	Form of 5.375% Senior Note due 2024.	Incorporated herein by reference to Exhibit 4.2 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on August 5, 2014.
4.3	Registration Rights Agreement, dated October 1, 2018, among Clearway Energy Operating LLC, the guarantors named therein and RBC Capital Markets, LLC, as representative of the initial purchasers.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on October 2, 2018.
4.4	Supplemental Indenture, dated as of November 7, 2014, among NRG Yield Operating LLC, the guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.1 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on November 13, 2014.
4.5	Supplemental Indenture, dated as of February 25, 2015, among NRG Yield Operating LLC, the guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.1 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on February 27, 2015.
4.6	Third Supplemental Indenture, dated as of April 10, 2015, among NRG Yield Operating LLC, NRG Yield LLC, the other guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.07 to the Company's Registration Statement on Form S-4 filed on April 13, 2015.
4.7	Fourth Supplemental Indenture, dated as of May 8, 2015, among NRG Yield Operating LLC, the guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.1 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on May 8, 2015.
4.8	Indenture, dated June 29, 2015, among NRG Yield, Inc., NRG Yield Operating LLC and NRG Yield LLC, as Guarantors, and Wilmington Trust, National Association, as Trustee.	Incorporated herein by reference to Exhibit 4.1 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on June 29, 2015.
4.9	Form of 3.25% Convertible Senior Note due 2020.	Incorporated herein by reference to Exhibit 4.2 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on June 29, 2015.
4.10	Indenture, dated August 18, 2016, among NRG Yield Operating LLC, the guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed on August 18, 2016.
4.11	Form of 5.000% Senior Note due 2026.	Incorporated herein by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed on August 18, 2016.
4.12	Registration Rights Agreement, dated August 18, 2016, among NRG Yield Operating LLC, the guarantors named therein and J.P. Morgan Securities LLC, as representative of the initial purchasers.	Incorporated herein by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K, filed on August 18, 2016.
4.13	Fifth Supplemental Indenture, dated as of January 29, 2018, among NRG Yield Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed on January 31, 2018.
4.14	Sixth Supplemental Indenture, dated as of June 12, 2018, among NRG Yield Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 12, 2018.
4.15	Supplemental Indenture, dated as of January 29, 2018, among NRG Yield Operating LLC, the guarantors named therein and the Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed on January 31, 2018.
4.16	Second Supplemental Indenture, dated as of June 12, 2018, among NRG Yield Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on June 12, 2018.
4.17	Seventh Supplemental Indenture, dated as of July 17, 2018, among NRG Yield Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q filed on August 2, 2018.

4.18	Third Supplemental Indenture, dated as of July 17, 2018, among NRG Yield Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.4 to the Company's Quarterly Report on Form 10-Q filed on August 2, 2018.
4.19	Eighth Supplemental Indenture, dated as of August 30, 2018, among NRG Yield Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on September 6, 2018.
4.20	Fourth Supplemental Indenture, dated as of August 30, 2018, among NRG Yield Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on September 6, 2018.
4.21	Indenture, dated October 1, 2018, 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 2, 2018.
4.22	Form of 5.750% Senior Notes due 2025	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on October 2, 2018.
4.23	Ninth Supplemental Indenture, dated as of October 25, 2018, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on October 31, 2018.
4.24	Fifth Supplemental Indenture, dated as of October 25, 2018, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on October 31, 2018.
4.25	First Supplemental Indenture, dated as of October 25, 2018, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company.	Incorporated herein by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on October 31, 2018.
4.26	Tenth Supplemental Indenture, dated as of December 7, 2018, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 12, 2018.
4.27	Sixth Supplemental Indenture, dated as of December 7, 2018, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on December 12, 2018.
4.28	Second Supplemental Indenture, dated as of December 7, 2018, 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 12, 2018.
4.29	Eleventh Supplement Indenture, dated as of September 6, 2019, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on September 12, 2019.
4.30	Seventh Supplemental Indenture, dated as of September 6, 2019, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on September 12, 2019.
4.31	Third Supplemental Indenture, dated as of September 6, 2019, 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 September 12, 2019.
4.32	Twelfth Supplemental Indenture, dated as of November 21, 2019, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 22, 2019.

4.33	Eighth Supplemental Indenture, dated as of November 21, 2019, among Clearway Energy Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on November 22, 2019.
4.34	Fourth Supplemental Indenture, dated as of November 21, 2019, 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 22, 2019.
4.35	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.
4.36	Form of 4.750% Senior Note due 2028.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 12, 2019.
4.37	Description of Securities.	Incorporated herein by reference to Exhibit 4.37 to the Company's Annual Report on Form 10-K filed on March 2, 2020.
10.1	Third Amended and Restated Right of First Offer Agreement, dated as of August 31, 2018, by and between NRG Yield, Inc. and NRG Energy, Inc.	Incorporated herein by reference to Exhibit 10.5 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on September 5, 2018.
10.2.1	Right of First Offer Agreement, dated as of August 31, 2018, by and among NRG Yield, Inc., Zephyr Renewables LLC and solely for purposes of Section 2.4, GIP III Zephyr Acquisition Partners, L.P.	Incorporated herein by reference to Exhibit 10.3 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on September 5, 2018.
10.2.2	First Amendment to Right of First Offer Agreement, dated February 14, 2019, by and between Clearway Energy Group LLC and Clearway Energy, Inc.	Incorporated herein by reference to Exhibit 10.1 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on February 14, 2019.
10.2.3	Second Amendment to Right of First Offer Agreement, dated August 1, 2019, by and between Clearway Energy Group LLC and Clearway Energy, Inc.	Incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 6, 2019.
10.2.4	Third Amendment to Right of First Offer Agreement, dated as of December 6, 2019, by and between Clearway Energy Group LLC, Clearway Energy, Inc. and GIP III Zephyr Acquisition Partners, L.P.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 9, 2019.
10.3	Master Services Agreement, dated as of August 31, 2018, by and among NRG Yield, Inc., NRG Yield LLC, NRG Yield Operating LLC and Zephyr Renewables LLC.	Incorporated herein by reference to Exhibit 10.1 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on September 5, 2018.
10.4	Master Services Agreement, dated as of August 31, 2018, by and among Zephyr Renewables LLC, NRG Yield, Inc., NRG Yield LLC, and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 10.2 to Clearway Energy, Inc.'s Current Report on Form 8-K filed on September 5, 2018.
10.5	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.
10.6.1	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.
10.6.2	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.
10.6.3	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.
10.6.4	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	Incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 3, 2018.

Bank of Canada, as Resigning Administrative Agent, JPMorgan Chase Bank, N.A., as Successor Administrative Agent, and the lenders party thereto.

10.6.5	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.
10.6.6	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.
10.7^	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.
10.8^	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.
10.9^	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.
10.10^	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.
10.11^	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.
10.12	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.
10.13†	Employment Agreement, dated as of May 6, 2016, between NRG Yield, Inc. and Christopher S. Sotos.	Incorporated herein by reference to Exhibit 10.1 to Clearway Energy, Inc.'s Current Report on Form 8-K/A, filed on August 9, 2016.
10.14†	Amendment, dated January 1, 2018 to Employment Agreement between NRG Yield, Inc. and Christopher Sotos.	Incorporated herein by reference to Exhibit 10.28 to Clearway Energy, Inc.'s Annual Report on Form 10-K, filed on March 1, 2018.
10.15	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.
10.16*+	Amended and Restated Limited Liability Company Agreement of NRG DGPV Holdco 3 LLC, dated September 26, 2017 by and amount NRG Yield DGPV Holding LLC and NRG Renew DG Holdings LLC.	Incorporated herein by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K filed on March 2, 2020.
10.17*+	First Amendment to Amended and Restated Limited Liability Company Agreement, dated as of December 26, 2018, by and among DGPV Holding LLC (f/k/a NRG Yield DGPV Holding LLC), a Delaware limited liability company, and Renew DG Holdings LLC (f/k/a NRG Renew DG Holdings LLC), a Delaware limited liability company.	Incorporated herein by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K filed on March 2, 2020.
10.18	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.
21.1	Subsidiaries of Clearway Energy LLC.	Incorporated herein by reference to Exhibit 21.1 to the Company's Annual Report on Form 10-K filed on March 2, 2020.
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 Chad Plotkin.	Filed herewith.
31.3	Rule 13a-14(a)/15d-14(a) certification of Mary-Lee Stillwell.	Filed herewith.

32	Section 1350 Certification.	Furnished herewith.

99.1	Financial Statements of DGPV Holdco 3 LLC and Subsidiaries for the years ended December 31, 2019 and 2018.	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(b)(2) of Regulation S-K, which the registrant agrees to furnish supplementary to the Securities and Exchange Commission upon request by the Commission.

^ Portions of this exhibit have been redacted and are subject to a confidential treatment request filed with the Secretary of the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

+ 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.

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: March 30, 2020

EXHIBIT 31.1

CERTIFICATION

I, Christopher S. Sotos, certify that:

1. I have reviewed this annual report on Form 10-K/A of Clearway Energy LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ CHRISTOPHER S. SOTOS

Christopher S. Sotos
Chief Executive Officer
(Principal Executive Officer)

Date: March 30, 2020

EXHIBIT 31.2

CERTIFICATION

I, Chad Plotkin, certify that:

1. I have reviewed this annual report on Form 10-K/A of Clearway Energy LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ CHAD PLOTKIN

Chad Plotkin
Chief Financial Officer
(Principal Financial Officer)

Date: March 30, 2020

EXHIBIT 31.3

CERTIFICATION

I, Mary-Lee Stillwell, certify that:

1. I have reviewed this annual report on Form 10-K/A of Clearway Energy LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MARY-LEE STILLWELL

Mary-Lee Stillwell
Chief Accounting Officer
(Principal Accounting Officer)

Date: March 30, 2020

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/A for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K/A"), 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/A 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/A 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/A.

Date: March 30, 2020

/s/ CHRISTOPHER S. SOTOS
Christopher S. Sotos
Chief Executive Officer
(Principal Executive Officer)

/s/ CHAD PLOTKIN
Chad Plotkin
Chief Financial Officer
(Principal Financial Officer)

/s/ MARY-LEE STILLWELL
Mary-Lee Stillwell
Chief Accounting Officer
(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/A 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.

Exhibit 99.1

DGPV HOLDCO 3 LLC AND SUBSIDIARIES

Table of Contents

Exhibit 99.1

Independent Auditor's Report

The Members
DGPV HoldCo 3 LLC:

We have audited the accompanying consolidated financial statements of DGPV HoldCo 3 LLC and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of operations, members' equity (deficit), and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DGPV HoldCo 3 LLC and its subsidiaries as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Change in Accounting Principle

As discussed in Note 2(h) to the consolidated financial statements, DGPV HoldCo 3 LLC changed its method of accounting for leases as of January 1, 2019, due to the adoption of Accounting Standards Update 2016-02, Leases (Topic 842) and related amendments. Our opinion is not modified with respect to this matter.

(signed) KPMG LLP

Philadelphia, Pennsylvania
March 30, 2020

DGPV HOLDCO 3 LLC AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2019 and 2018

(In thousands)

Assets		**2019**		**2018**
Current assets:				
Cash	$	19,104	$	5,035
Restricted cash		6,862		16,022
Accounts receivable – trade, net		9,251		7,942
Accounts receivable – affiliate		72		—
Derivative instruments		155		184
Prepayments and other current assets		3,153		758
Total current assets		38,597		29,941
Property, plant, and equipment, net		332,176		247,759
Intangible asset for power purchase agreement, net		1,367		1,427
Derivative instruments		2,599		1,489
Right-of-use assets, net		34,767		—
Other non-current assets		310		310
Total assets	$	409,816	$	280,926
Liabilities and Member's Equity				
Current liabilities:				
Short-term debt – affiliate	$	1,598	$	1,604
Current portion of long-term debt		40,996		27,050
Accounts payable – trade		3,765		13,342
Accounts payable – affiliate		11,385		6,929
Accrued interest expense		1,307		1,141
Derivative instruments		862		72
Lease liabilities		500		—
Accrued liabilities		250		7
Total current liabilities		60,663		50,145
Other liabilities:				
Long-term debt		169,612		133,277
Derivative instruments		7,712		992
Other non-current liabilities		153		411
Asset retirement obligations		4,151		1,953
Long-term lease liabilities		34,703		—
Total non-current liabilities		216,331		136,633
Total liabilities	$	276,994	$	186,778
Redeemable noncontrolling interest		(737)		(294)
Commitments and contingencies				
Equity:				
Member's equity		132,498		96,094
Noncontrolling interest		1,061		(1,652)
Total equity		133,559		94,442
Total liabilities and member's equity	$	409,816	$	280,926

See accompanying notes to consolidated financial statements.

DGPV HOLDCO 3 LLC AND SUBSIDIARIES

Consolidated Statements of Operations

Years ended December 31, 2019 and 2018

(In thousands)

	2019	2018
Operating revenues:		
Electric revenue	$ 16,023	$ 7,417
Renewable energy certificates	11,534	9,699
Government incentives	500	83
Total operating revenues	28,057	17,199
Operating costs and expenses:		
Cost of operations	4,335	3,604
Cost of operations – affiliate	2,073	1,199
Depreciation and accretion	8,891	5,234
Total operating costs and expenses	15,299	10,037
Operating income	12,758	7,162
Other income (expense):		
Interest income	173	127
Interest expense	(19,120)	(4,460)
Total other expense	(18,947)	(4,333)
Net (loss) income before noncontrolling interest	(6,189)	2,829
Less: noncontrolling interest	(53,058)	(54,498)
Net income attributable to DGPV Holdco 3 LLC	$ 46,869	$ 57,327

See accompanying notes to consolidated financial statements.

DGPV HOLDCO 3 LLC AND SUBSIDIARIES

Consolidated Statements of Members' Equity (Deficit)

Years ended December 31, 2019 and 2018

(In thousands)

	Contributed capital	Retained earnings	Noncontrolling interest	Total member's equity (deficit)
Balance at December 31, 2017	$ (28,591)	$ $ 28,579	—	$ (12)
Net income (loss)	—	57,327	(4,349)	52,978
Cash contributions	120,782	—	5,066	125,848
Cash distributions	(79,970)	—	(2,369)	(82,339)
Distributions to Clearway Renew, non-cash	(2,033)	—	—	(2,033)
Balance at December 31, 2018	$ 10,188	$ $ 85,906	$ (1,652)	$ 94,442
Net income (loss)	—	46,869	(52,482)	(5,613)
Cash contributions	123,619	—	56,774	180,393
Cash distributions	(135,719)	—	(1,579)	(137,298)
Contributions, net of distributions, non-cash	1,635	—	—	1,635
Balance at December 31, 2019	$ (277)	$ $ 132,775	$ 1,061	$ 133,559

See accompanying notes to consolidated financial statements.

Exhibit 99.1

DGPV HOLDCO 3 LLC AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2019 and 2018

(In thousands)

	2019	2018
Cash flows from operating activities:		
Net (loss) income	$ (6,189)	$ 2,829
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and accretion	8,891	5,234
Right-of-use asset amortization	900	—
Provision for losses on accounts receivable	74	—
Amortization of intangible asset	60	60
Amortization of debt issuance costs	1,859	810
Non-cash interest expense applied to long-term debt	4,205	—
Changes in derivative instruments	6,429	(468)
Cash provided (used) by changes in other working capital:		
Accounts receivable – trade	(5,273)	(6,368)
Accounts receivable – affiliate	(2)	676
Prepayments and other current assets	49	(253)
Accounts payable – trade	(9,766)	1,687
Accounts payable – affiliate	14,164	(9,204)
Accrued interest expense	166	902
Accrued liabilities	273	(178)
Deferred rent	—	313
Operating lease liabilities	(484)	—
Net cash provided (used) by operating activities	15,356	(3,960)
Cash flows from investing activities:		
Capital expenditures	(91,909)	(52,039)
Acquisition of membership interests	(6,032)	(147,014)
Receipt of insurance proceeds	59	—
Net cash used by investing activities	(97,882)	(199,053)
Cash flows from financing activities:		
Proceeds from short-term debt – affiliate, net of payments	(5)	500
Proceeds from issuance of long-term debt	94,543	132,289
Payments for long-term debt	(49,720)	—
Payment of debt issuance costs	(611)	(5,680)
Contributions from noncontrolling interests, net of distributions	55,328	46,035
Contributions from member	123,619	125,674
Distributions to member	(135,719)	(79,970)
Net cash provided by financing activities	87,435	218,848
Net increase in cash and restricted cash	4,909	15,835
Cash and restricted cash at beginning of period	21,057	5,222
Cash and restricted cash at end of period	$ 25,966	$ 21,057
Supplemental disclosures:		
Interest paid	$ 6,520	$ 2,703
Interest paid by affiliate	44	513
Non-cash investing and financing activities:		
Increase to fixed assets for capitalized asset retirement costs	2,127	887
Increase to fixed assets for capitalized debt issuance costs	1,327	84
Reduction to fixed assets for accrued government incentives	(2,835)	(997)
Additions to fixed assets for accrued capital expenditures	1,873	8,820
Debt issuance costs incurred not paid	(4)	306
Interest added to long-term debt principal	4,205	—
Non-cash contributions	2,220	1,776
Non-cash distribution – developer fee on fixed assets	(1,549)	(8,678)
Accounts payable – affiliate for capital expenditures	(5,773)	(82,653)

See accompanying notes to consolidated financial statements.

DGPV HOLDCO 3 LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(1) Nature of Business

DGPV Holdco 3, LLC, or the Company, a Delaware limited liability company, is a partnership between Clearway Renew DG Holdings, LLC, a subsidiary of Clearway Renew LLC, and DGPV Holding LLC, a subsidiary of Clearway Energy Operating LLC. Clearway Renew LLC is a wholly owned subsidiary of Clearway Energy Group LLC, or Clearway Energy Group, which is a wholly owned subsidiary of Global Infrastructure Partners III, or GIP. Clearway Energy Operating LLC is a wholly owned subsidiary of Clearway Energy LLC, which is a partnership between Clearway Energy, Inc. and Clearway Energy Group.

On August 31, 2018, NRG Energy, Inc., or NRG, transferred its full ownership interest in Clearway Energy, Inc. to Clearway Energy Group, and subsequently sold 100% of its interest in Clearway Energy Group to GIP, including its interests in the Company, referred to as the GIP Transaction. The GIP Transaction did not impact the Company’s direct ownership structure.

The Company was formed on April 26, 2017 as a partnership to facilitate investment in an operating portfolio of distributed solar assets, primarily comprised of community solar projects and commercial distributed solar projects developed by Clearway Energy Group. The Company owns an interest in two portfolios of solar projects that participate in tax equity arrangements with tax equity investors, through its wholly owned subsidiaries, Chestnut Borrower, LLC, or Chestnut Borrower, and Renew Solar CS4 Borrower LLC, or CS4 Borrower. See Note 3, *Tax Equity Arrangements*, for a more detailed description of each tax equity arrangement. Each of the portfolios owns, operates and maintains solar energy systems that sell power to customers through long-term power purchase agreements, or PPAs. The commercial distributed solar projects sell power to a single commercial offtaker and the community solar projects sell power to a group of offtakers in one location.

The Company is governed by an Amended and Restated Operating Agreement, or Operating Agreement, where Clearway DGPV Holding LLC, or DGPV Holding, is the Class A Member and Clearway Renew DG Holdings, LLC, or Renew DG Holdings, is the Class B Member and the Manager of the Company. As Manager, Renew DG Holdings conducts and directs all operating activities of the Company. Contributions are made to the Company pursuant to requests made by the Manager on behalf of a fund company and calculated using specific modeling guidelines outlined in the Operating Agreement.

Contributions by DGPV Holding are calculated to equal an amount that enables DGPV Holding to achieve an annual yield based on available cash flow of 9.0% on average over the first ten years. Contributions by Renew DG Holdings are calculated based on the purchase price of a project less the relevant contribution from the Fund's tax equity partner and the contribution from DGPV Holding. Pursuant to the Operating Agreement, all tax basis income, gain, loss, deduction and credit, as well as all cash available for distribution, of the Company are allocated at 1% and 99% to the Class B Member and Class A Member, respectively.

(a) Chestnut Fund

The Company's wholly owned subsidiary, Chestnut Borrower, was formed on April 26, 2017 for the purpose of acting as a borrower of term loans for the Chestnut Fund, as described in note 6, *Long-Term Debt*, and Chestnut Borrower owns a 100% of Chestnut Class B LLC, the Class B Member of the Clearway Chestnut Fund LLC, or Chestnut Fund, tax equity arrangement. Chestnut Class B LLC, or Chestnut Class B, is the Managing Member of Chestnut Fund and conducts and directs all operating activities of the fund. The Class A Member of Chestnut Fund, or Investor Member, is Firstar Development, LLC, or Firstar, an affiliate of U.S. Bancorp.

Chestnut Fund's 100% owned subsidiaries and related solar facilities are listed below:

Project company	Facility	Type	Location	Facility capacity (kWdc)	Commercial operations date	PPA offtaker	PPA term in years
Black Cat Road Solar, LLC	77 Black Cat Rd	Community	MA	1,321	08/30/17	Ahold USA/Various (a)	20
Brook St Solar 1, LLC	134 Brook St A, B & C	Community	MA	6,480	09/06/17	Target Ahold USA/Various (a)	15 20
Solar Mule, LLC	Colby College	Commercial	ME	1,811	09/18/17	Colby College	27 (b)
Big Lake Holdco LLC	Big Lake	Community	MN	6,912	10/01/17	Various	25
Solar West Shaft LLC	N Adams-West Shaft Rd	Community	MA	1,346	10/10/17	Ahold USA/Raytheon/Various (a)	20
DG Foxborough Elm LLC	Elm Street	Community	MA	2,614	10/12/17	Town of Foxborough/Various (a)	20
Redbrook Solar 1 LLC	Redbrook B, C & D	Community	MA	5,568	11/09/17	Ahold USA/Various (a)	20
Northfield Holdco LLC	Northfield	Community	MN	6,962	12/01/17	Various	25
Waterford Holdco LLC	Waterford	Community	MN	3,767	12/01/17	Various	25
Center St Solar 1 LLC	1077 Center St A, B & C	Community	MA	3,870	12/21/2017 & 01/03/2018	Target Raytheon/Various (a)	15 20
TOS Solar 1, LLC	725 Guelphwood	Community	MA	646	12/30/17	Target/Various (a)	15/20
TOS Solar 2, LLC	726 Guelphwood	Community	MA	1,341	12/30/17	Target/Various (a)	15/20
Stafford St Solar 1, LLC	466 Stafford St Site A	Community	MA	2,776	12/31/17	Target/Various (a)	15/20
Stafford St Solar 3, LLC	466 Stafford St Site C	Community	MA	1,388	12/31/17	Raytheon/Various (a)	20
ETCAP NES CS MN 02 LLC	Nystuen	Community	MN	1,055	05/01/18	100% residential	25
ETCAP NES CS MN 06 LLC	Armstrong	Community	MN	3,714	05/01/18	Various	25
Stafford St Solar 2, LLC	466 Stafford St Site B	Community	MA	2,776	05/09/18	Target/Various (a)	15/20
Bullock Road Solar 1, LLC	247 & 249 Bullock	Community	MA	5,754	07/25/18	Various	20
Mapleton Solar LLC	Mapleton	Community	MN	5,080	09/01/18	Various	25
Osakis Solar LLC	Osakis	Community	MN	7,213	09/01/18	Various	25
Solar Wauwinet LLC	85 Wauwinet Rd-Barre	Community	MA	1,294	09/17/18	Target/Various (a)	15/20
Minisink Solar 1 LLC	Minisink North	Community	NY	2,495	10/26/18	100% residential	20
Minisink Solar 2 LLC	Minisink South	Community	NY	2,795	11/01/18	100% residential	20
DG Marathon LLC	Sage Stone	Community	MA	2,614	01/04/19	Ahold USA/Various (a)	20
				81,592			

(a) 50% sold through community solar services agreements and 50% sold to named customer through net metering purchase agreements.

(b) The initial term of 27 years shall automatically extend for 3 years, then for 1 year in perpetuity unless terminated by either party.

(b) CS4 Fund

The Company's wholly owned subsidiary, CS4 Borrower, was formed on July 9, 2018 for the purpose of acting as the borrower under a credit agreement for the CS4 Fund, as described in note 6, *Long-Term Debt*, and CS4 Borrower owns 100% of Renew Solar CS4 Class B LLC, the Class B Member of the Renew Solar CS4 Fund LLC, or CS4 Fund, tax equity arrangement. Renew Solar CS4 Class B LLC, or CS4 Class B, is the Managing Member of CS4 Fund and conducts and directs all operating activities of the fund. The Class A Member of CS4 Fund, or Investor Member, is PNC Commercial, LLC, or PNC, an indirect wholly owned subsidiary of PNC Financial Services Group, Inc. CS4 Borrower's wholly owned subsidiary Renew Solar CS4 Seller LLC, or CS4 Seller, acquires the project entities from a subsidiary of Clearway Renew, funds the construction of the projects, and in turn, sells these projects to CS4 Fund.

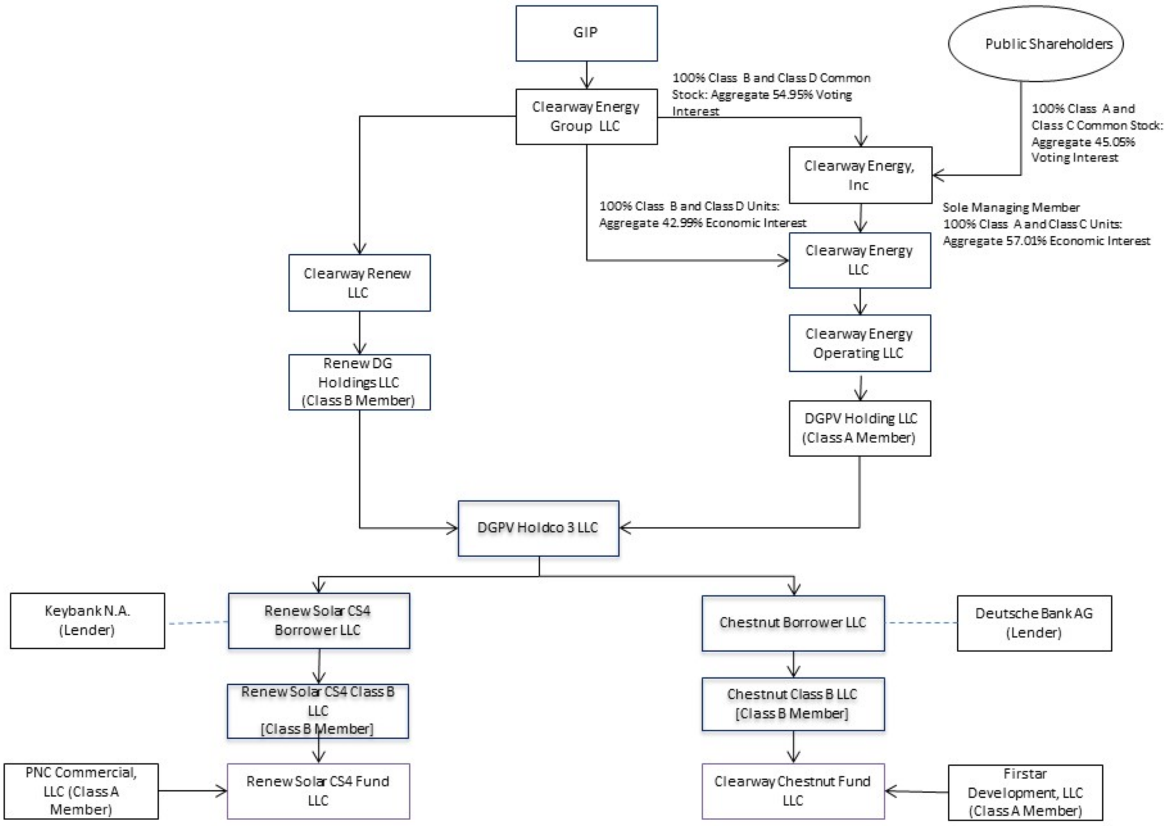
CS4 Fund's 100% owned subsidiaries and related solar facilities are listed below:

Project company	Location	Facility capacity (kWdc)	Commercial operations date	PPA offtaker	PPA terms
Montevideo Solar LLC	Minnesota	7,497	1/1/2019	Various	25 years
Underhill Solar LLC	New York	3,011	3/18/2019	NYSERDA/Various (b)	10/20 years
Bluestone Solar LLC	New York	3,013	3/27/2019	Various	20 years
Chisago Holdco LLC	Minnesota	3,937	5/1/2019	Various	25 years
Frontenac Holdco LLC	Minnesota	7,208	5/1/2019	Various	25 years
CMR Solar LLC	New York	2,808	5/10/2019	NYSERDA/Various (b)	10/20 years
Sartell Solar LLC	Minnesota	7,501	6/1/2019	Various	25 years
Grabinski Solar LLC	New York	3,002	7/25/2019	Various	20 years
Clara City Solar LLC	Minnesota	1,400	9/1/2019	Various	25 years
New Munich Solar LLC	Minnesota	1,400	9/1/2019	Various	25 years
Olinda Trail Solar LLC	Minnesota	1,400	9/1/2019	Various	25 years
Rollingstone Holdco LLC	Minnesota	7,005	9/1/2019	Various	25 years
Stearns Solar I LLC	Minnesota	1,400	9/1/2019	Various	25 years
Wabasha Solar LLC	Minnesota	1,400	9/1/2019	Various	25 years
Wabasha Solar II LLC	Minnesota	1,400	9/1/2019	Various	25 years
Wabasha Solar III LLC	Minnesota	1,400	9/1/2019	Various	25 years
Winona Solar I LLC	Minnesota	1,400	9/1/2019	Various	25 years
Winona Solar II LLC	Minnesota	1,400	9/1/2019	Various	25 years
Mount Hope Solar 1 LLC	New York	2,793	10/9/2019	Various	20 years
Rounseville Solar 1, LLC	Massachusetts	3,324	11/14/19	Various	20 years
Wilmarth Lane Solar 1 LLC	Massachusetts	6,372	N/A (a)	Various	20 years
Partridgeville Road Solar 1 LLC	Massachusetts	4,743	N/A (a)	Various	20 years
Eastman Street Solar 1 LLC	Massachusetts	1,438	N/A (a)	Various	20 years
		76,252			

(a) Projects have not yet begun commercial operations.

(b) 1,000 kWdc sold to New York State Energy Research and Development Authority, or NYSERDA, through the 10-year PPA and the remainder through community solar customer agreements.

The following diagram provides further information related to the Company’s ownership structure as of December 31, 2019:



(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Principles of Consolidation

The Company’s consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. The Accounting Standards Codification, or ASC, established by the Financial Accounting Standards Board, or FASB, is the source of authoritative U.S. GAAP to be applied by nongovernmental entities.

The consolidated financial statements include the Company's accounts and operations of those of its subsidiaries. All significant intercompany transactions and balances have been eliminated in the consolidated financial statements. The usual condition for a controlling financial interest is ownership of a 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 not controlled through its voting interests should be consolidated.

The Company has elected not to push down the effects of the GIP Transaction to its consolidated financial statements and accordingly, there was no change in basis of presentation related to the GIP Transaction.

(b) Restricted Cash

The following table provides a reconciliation of cash 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 as of December 31, 2019 and 2018 (in thousands):

	2019	2018
Cash	$ 19,104	$ 5,035
Restricted cash	6,862	16,022
Cash and restricted cash shown in the consolidated statements of cash flows	$ 25,966	$ 21,057

As of December 31, 2019, restricted cash consists of $5 million held at Renew Solar CS4 Borrower LLC for debt service and $2 million held at Chestnut Class B Borrower LLC for distributions and to satisfy reserves for performance obligations. As of December 31, 2018, restricted cash consists of $5 million held at Renew Solar CS4 Borrower LLC for debt service and $10 million held at Chestnut Class B Borrower LLC for distributions and to satisfy reserves for performance obligations.

(c) Accounts Receivable – Trade

Accounts receivable represent trade receivables from sales of electricity to residential, commercial and municipal customers. Also included in accounts receivable – trade are receivables for the sale of renewable energy credits to a former affiliate, NRG Power Marketing LLC and receivables related to government incentives. The Company reviews its accounts receivable by aging category to identify significant customer balances with known collections issues. In evaluating the allowance, the Company makes judgments about the creditworthiness of its customers based on ongoing credit evaluations. The Company also considers current economic trends that might impact the level of future credit losses. As of December 31, 2019 and 2018, the allowance for doubtful accounts was $52 thousand and $11 thousand, respectively.

(d) Debt Issuance Costs

Debt issuance costs consist of legal fees and closing costs incurred by the Company in obtaining its financings. These costs are capitalized and amortized as interest expense on a basis which approximates the effective interest method over the term of the financing obligation and are presented as a direct deduction from the carrying amount of the related debt.

Amortization expense, included in interest expense in the consolidated statements of operations, was $1,859 thousand and $810 thousand for the years ended December 31, 2019 and 2018, respectively.

(e) Property, Plant, and Equipment

The Company purchased certain of its solar installations from Clearway Renew and its subsidiaries through its acquisitions of wholly owned project subsidiaries listed in note 1, *Nature of Business*. The acquisitions were recorded as a transfer of assets under common control and accordingly, the assets are recorded at Clearway Renew’s historical cost. The excess of the purchase price over the historical cost was recorded as a developer fee as a non-cash reduction to member's equity. Purchased solar installations from third parties are stated at cost.

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 of the assets. 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 operations. See note 4, *Property, Plant, and Equipment,* for additional information.

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, 2019 and 2018 was $2,134 thousand and $506 thousand, 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 plant equipment.

(f) Intangible Asset

Intangible asset for power purchase agreement represents the fair value of the out-of-market component of the PPA acquired at the DG Foxborough Elm LLC facility determined at acquisition date, when Clearway Renew acquired the project from a third party. The Company recognizes specifically identifiable intangible assets when specific rights and contracts are acquired. This definite-lived intangible asset is amortized as a reduction to operating revenues on a straight line basis over the term of the PPA (through October 2042), which is 25 years from the date the facility achieved commercial operations.

As of December 31, 2019 and 2018, the intangible asset subject to amortization consists of the following (in thousands):

	2019	2018
Intangible asset for power purchase agreement	$ 1,500	$ 1,500
Less accumulated amortization	(133)	(73)
Net intangible asset for power purchase agreement	$ 1,367	$ 1,427

Aggregate amortization expense was $60 thousand for each of the years ended December 31, 2019 and 2018, which was recorded as a reduction to operating revenues in the consolidated statements of operations. Estimated amortization expense for each of the next five years is $60 thousand.

(g) Asset Impairments

Long-lived assets that are held and used are reviewed for impairment whenever events or changes in circumstances indicate carrying values 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 value. An impairment charge is measured by the difference between an asset’s carrying amount and fair value with the difference recorded in operating costs and expenses in the consolidated statements of operations. Fair values are determined by a variety of valuation methods, including third-party appraisals, sales prices of similar assets, and present value techniques. There were no indicators of impairment loss as of December 31, 2019 and 2018.

(h) Leases

The Company adopted ASU No. 2016-02, *Leases* (Topic 842), or Topic 842, on January 1, 2019, using the modified retrospective transition method and therefore, prior period financial information has not been adjusted and continues to be reflected in accordance with the Company's historical accounting policy. Topic 842 requires the establishment of a lease liability and related right-of-use, or ROU, asset for all leases with a term longer than 12 months. The Company elected certain of the permitted practical expedients, including the expedient that permits the Company to retain its existing lease assessment and classification. The Company also elected to account for lease and non-lease components for specific asset classes as a single lease component.

The adoption of the standard resulted in the recording of operating lease liabilities of $30.4 million and related ROU assets of $30.4 million. There was no impact to the Company’s consolidated statement of operations or cash flows. The Company utilized its incremental borrowing rate at adoption date of 4.17% to determine the amount of the lease liabilities.

All of the Company’s leases are operating leases as of December 31, 2019.

For new leases, the Company records its operating lease liabilities at the present value at lease commencement date of the lease payments over the lease term. 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 as the expense is incurred. 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.

See note 2(k), *Revenue Recognition* below and note 8, *Leases* for information on the Company's leases.

(i) Deferred Rent

Prior to the adoption of Topic 842, the Company recorded rent expense on a straight line basis over the life of the lease term. The cumulative difference between the payments made and the expense recognized was recorded in deferred rent on the consolidated balance sheets.

(j) Income Taxes

The Company is classified as a partnership for federal and state income tax purposes. Therefore, federal and state income taxes are assessed at the partner level. Accordingly, no provision has been made for federal or state income taxes in the accompanying consolidated financial statements.

(k) Revenue Recognition

On January 1, 2018, the Company adopted the guidance in ASC 606, *Revenue from Contracts with Customers*, or ASC 606, using the modified retrospective method applied to contracts which were not completed as of the adoption date, with no adjustment required to the financial statements upon adoption. Following the adoption of ASC 606, the Company's revenue recognition of its contracts with customers remains materially consistent with its historical practice. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. 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.

Electric Revenue

The Company's electric revenue is related to energy contract revenue from the PPAs listed in note 1, *Nature of Business*. The contractual rates could be fixed or increase annually during the terms of the PPAs, ranging from 10-27 years. Electric revenue is billed and paid on a monthly basis.

The PPA at Solar Mule, LLC is accounted for as an operating lease. Previously ASC 840, *Leases*, or ASC 840, and currently Topic 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. 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 capital lease. The lease has no minimum lease payments and all of the rental income under this lease is recorded as contingent rent on an actual basis each period when electricity is produced by the solar facility and delivered to the offtaker at the rate billable per kWh under the terms of the PPA. The lease has renewal options at the end of the lease term. Termination may be allowed under specific circumstances in the lease arrangement, such as under an event of default.

For PPAs accounted for as executory contracts under ASC 606, revenue is recognized on an accrual basis each period, as electricity is produced by the solar facility and delivered to the offtaker at the rate billable per kWh under the terms of the PPA.

The Company's electric revenue for the years ended December 31, 2019 and 2018 is summarized as follows (in thousands):

	2019	**2018**
Energy revenue	$ 15,669	$ 7,205
Lease revenue	245	272
Contract amortization	(60)	(60)
Total electric revenue	$ 15,854	$ 7,417

Renewable Energy Certificates, or RECs

The Company has entered into agreements with NRG Power Marketing LLC, or PML, a wholly owned subsidiary of NRG, to purchase and sell RECs generated from 2017 through 2028 by the Massachusetts projects in accordance with vintage years, quantities, and prices in the REC agreements with PML. Prices range between $123.16 and $270.00 per REC. PML sells the RECs to third parties. Revenue is recognized as the REC is generated based on actual production multiplied by the contract rates. REC revenue is billed and paid on a quarterly basis. REC revenue from PML is recorded as Renewable energy certificates – affiliate prior to the GIP Transaction, and as Renewable energy certificates after the GIP Transaction, in the consolidated statements of operations.

Government Incentives

The Company is entitled to state performance based incentives, or PBIs, paid by NYSERDA for the Minisink Solar 1 LLC and Minisink Solar 2 LLC projects, not to exceed $900,607 for Minisink Solar 1 LLC and $1,092,655 for Minisink Solar 2 LLC, as well as for five projects in the CS4 Fund, not to exceed $5.7 million. The incentive payments for each project will consist of one payment at commercial operation date for 50% of the awarded amount, which was recorded to property, plant, and equipment, and two annual performance-based payments each of which is estimated to be 25% of the incentive. For CS4 Fund, the commercial operation date payment of $2.8 million for all five projects was recorded to property, plant and equipment in 2019. The two annual performance based payments are earned monthly based upon the actual electricity produced by the project multiplied by a rate stipulated in the agreements. PBI revenue is recorded as Government incentives in the consolidated statements of operations. As of December 31, 2019, $2.8 million was recorded to prepayments and other currents related to the NYSERDA commercial operation date payment, which was collected during the first quarter of 2020.

Contract Balances

The following table reflects the contract assets in the Company's consolidated balance sheets as of December 31, 2019 and 2018 (in thousands):

	2019	2018
Accounts receivable - contracts with customers	$ 9,243	$ 7,927
Accounts receivable - leases	8	15
Total accounts receivable - trade, net	$ 9,251	$ 7,942

(l) Derivative Financial Instruments

The Company accounts for derivative financial instruments in accordance with ASC 815, *Derivatives and Hedging*, which 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 normal purchase normal sale exception. The Company uses interest rate swaps to manage its interest rate exposure on long-term debt, which are not designated as cash flow hedges. Changes in the fair value of non-hedge derivatives are immediately recognized in earnings. See note 5, *Accounting for Derivative Instruments and Hedging Activities*, for more information.

(m) Risks and Uncertainties

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of accounts receivable – trade, accounts receivable – affiliate, and derivative instruments. Accounts receivable are concentrated with residential, commercial, and municipal customers. The energy industry may impact the Company's overall exposure to credit risk, either positively or negatively, in that the customer may be similarly affected by changes in economic, industry, or other conditions. Municipal entities are generally subject to budget decisions made at superior governmental levels, which may impede or delay the Company's collection of accounts receivable from these customers. However, the Company believes that the credit risk posed by such concentrations is offset by the diversification and creditworthiness of its customer base. The Company is exposed to credit losses in the event of noncompliance by counterparties on its derivative financial instruments.

Due to the concentration of sales of RECs to PML, the Company is exposed to credit risk of potential nonperformance by them, which could impact liquidity if this customer were to experience financial difficulties. As of December 31, 2019 and 2018, accounts receivable – trade with PML totaled $5.8 million and $5.5 million, respectively. The maximum amount of loss due to credit risk, should the customer fail to perform, is the amount of the outstanding receivable, and any losses associated with replacing this customer.

Risks associated with the Company's operations include the performance of a solar installation below expected levels of efficiency and output, shutdowns due to the breakdown or failure of equipment, or catastrophic events such as fires, earthquakes, floods, explosions, pandemics, or other similar occurrences affecting a power generation installation or its energy purchaser.

(n) Fair Value of Financial Instruments

The Company accounts for the fair value of financial instruments in accordance with ASC 820, *Fair Value Measurement*, or ASC 820. The Company does not hold or issue financial instruments for trading purposes. The carrying amounts of cash, restricted cash, accounts receivable – trade, accounts receivable – affiliate, accounts payable – trade, accounts payable – affiliate and accrued liabilities approximate fair value because of the short-term maturity of these instruments and are classified as Level 1 within the fair value hierarchy.

Derivative instruments consisting of interest rate swaps are recorded at fair value on the Company's consolidated balance sheet on a recurring basis and are classified as Level 2 within the fair value hierarchy as the fair value can be determined based on observable values of underlying interest rates. The fair value of each contract is discounted using a risk free interest rate. In addition, the Company applies a credit reserve to reflect credit risk, which for interest rate swaps is calculated utilizing the bilateral method based on published default probabilities. 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 Company's liabilities or that a market participant would be willing to pay for the Company's assets. For further discussion of interest rate swaps, see note 5, *Accounting for Derivatives Instruments and Hedging Activities*.

The carrying value of long-term debt approximates fair value at December 31, 2019 and 2018 as the debt carries a variable interest rate. The carrying value of short-term debt – affiliate approximates fair value at December 31, 2019 and 2018 due to its short-term maturity. The fair values of long-term debt and short-term debt – affiliate are based on current interest rates for similar instruments with equivalent credit quality and is classified as Level 3 inputs within the fair value hierarchy.

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 in its entirety.

(o) Commitments and Contingencies

In the normal course of business, the Company is subject to various claims and litigation. Management of the Company expects that these various litigation items will not have a material adverse effect on the results of operations, cash flows, or financial position of the Company.

(p) Asset Retirement Obligations

The Company accounts for its asset retirement obligations, or AROs, 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 the Company 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, the Company capitalizes the asset retirement cost 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 the estimated cost to remove the above ground solar equipment and restore the site to conditions similar to the surrounding parcels.

The following table represents the balance of the ARO obligation as of December 31, 2019 and 2018, along with the additions and accretion expense related to the Company's ARO for the year ended December 31, 2019 (in thousands):

Balance as of December 31, 2018	$	1,953
Additions		2,127
Accretion expense		196
Balance as of December 31, 2019	$	4,276

(q) Comprehensive Income

The Company's total comprehensive income is equal to its net income for the years ended December 31, 2019 and 2018.

(r) Redeemable Noncontrolling Interests

The tax equity investor in the Chestnut Fund, Firstar, has the right to redeem its interests for cash or other assets and accordingly, the Company has included the noncontrolling interest attributable to Firstar as a component of temporary equity in the mezzanine section of the consolidated balance sheets. The following table reflects the changes in the Company's redeemable noncontrolling interest balance for the years ended December 31, 2019 and 2018 (in thousands):

Balance as of December 31, 2017	$	6,517
Cash contributions		44,266
Cash distributions		(928)
Net loss attributable to noncontrolling interest		(50,149)
Balance as of December 31, 2018	$	(294)
Cash contributions		1,724
Cash distributions		(1,591)
Net loss attributable to noncontrolling interest		(576)
Balance as of December 31, 2019	$	(737)

(s) Tax Equity Arrangements

The Company has determined that the appropriate methodology for calculating its noncontrolling interest and redeemable noncontrolling interest is a balance sheet approach using the hypothetical liquidation at book value, or HLBV, method. Under the HLBV method, the amount reported as noncontrolling interests and redeemable noncontrolling interests represent the amount that each tax equity investor would hypothetically receive at each balance sheet date under the liquidation provisions of the contractual agreements assuming the net assets were liquidated at their recorded amounts determined in accordance with GAAP. The tax equity investors' interest in the results of operations are determined as the difference in the noncontrolling interest or redeemable noncontrolling interest at the start and end of each reporting period, after taking into account any capital transactions. The calculations utilized to apply the HLBV method include estimated calculations of taxable income or losses for the reporting period. These amounts are reconciled to the taxable income or loss included within the tax return once the tax return is filed.

(t) Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) Tax Equity Arrangements

(a) Chestnut Fund

The Company's wholly owned subsidiary Chestnut Class B LLC is the Class B Member and the Managing Member of the Chestnut Fund tax equity arrangement and it conducts and directs all operating activities of the fund. The Investor Member is Firstar. Chestnut Fund is a VIE and Chestnut Class B LLC is the primary beneficiary due to its role as Managing Member and the ability to direct the activities that most significantly impact the economics of the tax equity arrangement.

The summarized financial information for Chestnut Fund as of December 31, 2019 and 2018 is as follows (in thousands):

	2019	2018
Current assets	$ 14,596	$ 13,490
Property, plant, and equipment, net	175,492	182,416
Intangible asset for power purchase agreement, net	1,367	1,427
Right-of-use assets, net	22,817	—
Other non-current assets	311	310
Total assets	214,583	197,643
Accounts payable – affiliate	651	3,473
Long-term lease liabilities	22,753	—
Other current and non-current liabilities	3,110	7,290
Total liabilities	26,514	10,763
Redeemable noncontrolling interests	(737)	(294)
Net assets less redeemable noncontrolling interests	$ 188,806	$ 187,174

(b) CS4 Fund

The Company's wholly owned subsidiary Renew Solar CS4 Class B LLC is the Class B Member and Managing Member of the CS4 Fund tax equity arrangement, and conducts and directs all operating activities of the fund. The Investor Member is PNC. CS4 Fund is a VIE and Renew Solar CS4 Class B LLC is the primary beneficiary due to its role as Managing Member and the ability to direct the activities that most significantly impact the economics of the tax equity arrangement.

The summarized financial information for CS4 Fund as of December 31, 2019 and 2018 is as follows (in thousands):

	2019	2018
Current assets	$ 6,573	$ —
Property, plant, and equipment, net	156,684	43,274
Right-of-use assets, net	11,950	—
Total assets	175,207	43,274
Accounts payable – affiliate	67,739	57,126
Long-term lease liabilities	11,950	—
Other current and non-current liabilities	6,283	2,750
Total liabilities	85,972	59,876
Noncontrolling interests	1,061	(1,652)
Net assets less noncontrolling interests	$ 88,174	$ (14,950)

(4) Property, Plant, and Equipment

The Company’s major classes of property, plant, and equipment as of December 31, 2019 and 2018 were as follows (in thousands):

	2019	2018	Depreciable lives
Plant equipment	$ 300,747	$ 184,558	10 - 30 years
Construction in progress	45,488	68,564	—
Total property, plant, and equipment	346,235	253,122	
Less accumulated depreciation	(14,059)	(5,363)	
Net property, plant, and equipment	$ 332,176	$ 247,759	

(a) Chestnut Fund

Chestnut Fund purchased its solar installations through the acquisition of membership interests in its subsidiaries from Clearway Renew. During 2017 through 2019, the purchase price of the acquired property, plant, and equipment was $259.4 million. As of December 31, 2018, $5.8 million of the purchase price was payable to Clearway Renew and was recorded on the Company's consolidated balance sheets in accounts payable – affiliate. As described in note 2, *Summary of Significant Accounting Policies*, the acquisitions were a transfer of assets under common control. Accordingly, the assets are recorded at Clearway Renew's historical cost. The purchase price less the historical cost is recorded as a developer fee and a corresponding reduction to equity. In addition, AROs totalling $1.5 million have been recorded by Chestnut Fund upon acquisitions and are included in property, plant, and equipment. In 2018, $997 thousand was recorded as a reduction to property, plant, and equipment for a NYSERDA government incentive award related to the Minisink Solar 1 LLC and Minisink Solar 2 LLC facilities reaching commercial operation. For additional information on the award, see note 2(k), *Revenue Recognition*.

Chestnut Fund completed the following acquisitions of membership interests in its subsidiaries with the purchase price allocated primarily to property, plant, and equipment (in thousands):

Project company	Purchase price	Historical cost	Developer fee	Acquisition date	Placed in service date
Black Cat Road Solar, LLC	$ 5,183	$ 3,666	$ 1,517	August 14, 2017	August 30, 2017
Brook St Solar 1, LLC	25,593	18,192	7,401	August 14, 2017	September 6, 2017
Solar Mule, LLC	4,211	3,142	1,069	September 1, 2017	September 18, 2017
Big Lake Holdco LLC	18,583	14,559	4,024	August 14, 2017	October 1, 2017
Solar West Shaft LLC	4,550	3,189	1,361	August 14, 2017	October 10, 2017
DG Foxborough Elm LLC [(a)]	10,183	7,838	2,345	September 27, 2017	October 12, 2017
Redbrook Solar 1 LLC	21,090	15,415	5,675	September 27, 2017	November 9, 2017
Northfield Holdco LLC	17,639	12,742	4,897	October 27, 2017	December 1, 2017
Waterford Holdco LLC	9,218	6,453	2,765	October 27, 2017	December 1, 2017
Center St Solar 1 LLC	13,529	10,042	3,487	August 14, 2017	December 21, 2017
TOS Solar 1, LLC	2,023	1,328	695	October 27, 2017	December 30, 2017
TOS Solar 2, LLC	4,210	3,014	1,196	October 27, 2017	December 30, 2017
Stafford St Solar 1, LLC	10,367	7,608	2,759	August 14, 2017	December 31, 2017
Stafford St Solar 3, LLC	5,448	4,002	1,446	August 14, 2017	December 31, 2017
ETCAP NES CS MN 02 LLC	3,147	2,301	846	January 25, 2018	May 1, 2018
ETCAP NES CS MN 06 LLC	10,684	7,680	3,004	January 25, 2018	May 1, 2018
Stafford St Solar 2, LLC	10,553	7,788	2,765	August 14, 2017	May 9, 2018
Bullock Road Solar 1, LLC	20,687	15,205	5,482	August 14, 2017	July 25, 2018
Mapleton Solar LLC	14,235	10,056	4,179	March 29, 2018	September 1, 2018
Osakis Solar LLC	18,993	13,663	5,330	March 29, 2018	September 1, 2018
Solar Wauwinet LLC	5,345	4,091	1,254	October 27, 2017	September 17, 2018
Minisink Solar 1 LLC	7,746	5,174	2,572	January 25, 2018	October 26, 2018
Minisink Solar 2 LLC	8,673	5,786	2,887	January 25, 2018	October 31, 2018
DG Marathon LLC	7,474	4,540	2,934	September 27, 2017	January 4, 2019
Total acquisitions	259,364	187,474	71,890		
less: 2017 acquisitions	194,744	133,081	61,663		
less: 2018 acquisitions	64,361	55,683	8,678		
2019 acquisitions	$ 259	$ (1,290)	$ 1,549		

(a) Included in the historical cost of Foxborough is $1.5 million for an intangible asset, as described further in note 2(f), *Summary of Significant Accounting Policies*.

(b) CS4 Fund

CS4 Fund purchased its solar installations through the acquisition of membership interests in its subsidiaries from CS4 Seller, a wholly owned subsidiary of the Company. CS4 Seller funded the construction of the projects through borrowings under the financing arrangement for CS4 Borrower, as further described in note 6, *Long-term Debt*. The purchase price of the acquired property, plant, and equipment was $165.0 million and $71.2 million in 2019 and 2018. As described in note 2, *Summary of Significant Accounting Policies*, the acquisitions were transfers of assets under common control. Accordingly, the assets are recorded at CS4 Seller's historical cost. The purchase price less the historical cost was recorded as a developer fee and a corresponding reduction to equity. In addition, the Company recorded an ARO of $2.1 million and $274 thousand in 2019 and 2018, respectively, which is included in property, plant, and equipment. In 2019, $2.8 million was recorded as a reduction to property, plant, and equipment for a NYSERDA government incentive award related to the five New York solar facilities reaching commercial operation. For additional information on the award, see note 2(k), *Revenue Recognition*.

CS4 Fund completed the following acquisitions of membership interests in its subsidiaries, with the purchase price allocated primarily to property, plant, and equipment (in thousands):

Project company	Purchase price	Historical cost	Developer fee	Acquisition date	Placed in service date
Montevideo Solar LLC	$ 18,019	$ 12,059	$ 5,960	November 29, 2018	January 1, 2019
Underhill Solar LLC	6,771	4,205	2,566	December 20, 2018	March 18, 2019
Bluestone Solar LLC	6,845	4,575	2,270	December 20, 2018	March 27, 2019
Chisago Holdco LLC	10,993	6,649	4,344	December 20, 2018	May 1, 2019
Frontenac Holdco LLC	19,121	12,006	7,115	December 20, 2018	May 1, 2019
CMR Solar LLC	8,484	4,944	3,540	December 20, 2018	May 10, 2019
Sartell Solar LLC	20,757	13,733	7,024	February 19, 2019	June 1, 2019
Grabinski Solar LLC	6,457	4,053	2,404	June 27, 2019	July 25, 2019
Clara City Solar LLC	4,226	2,670	1,556	July 31, 2019	September 1, 2019
New Munich Solar LLC	5,326	3,671	1,655	July 31, 2019	September 1, 2019
Olinda Trail Solar LLC	5,420	3,360	2,060	July 31, 2019	September 1, 2019
Rollingstone Holdco LLC	20,282	10,609	9,673	June 27, 2019	September 1, 2019
Stearns Solar I LLC	5,385	3,675	1,710	July 31, 2019	September 1, 2019
Wabasha Solar LLC	4,966	3,064	1,902	July 31, 2019	September 1, 2019
Wabasha Solar II LLC	4,998	2,566	2,432	July 31, 2019	September 1, 2019
Wabasha Solar III LLC	4,735	2,516	2,219	July 31, 2019	September 1, 2019
Winona Solar I LLC	4,632	2,985	1,647	July 31, 2019	September 1, 2019
Winona Solar II LLC	4,928	2,954	1,974	July 31, 2019	September 1, 2019
Mount Hope Solar 1 LLC	8,253	5,589	2,664	June 27, 2019	October 9, 2019
Rounseville Solar 1, LLC	13,417	8,137	5,280	July 31, 2019	November 14, 2019
Wilmarth Lane Solar 1 LLC	26,775	17,088	9,687	May 31, 2019	N/A (a)
Partridgeville Road Solar 1 LLC	19,712	13,230	6,482	November 30, 2019	N/A (a)
Eastman Street Solar 1 LLC	5,681	3,704	1,977	June 27, 2019	N/A (a)
Total acquisitions	236,183	148,042	88,141		
less: 2018 acquisitions	71,160	40,365	30,795		
2019 acquisitions	$ 165,023	$ 107,677	$ 57,346		

(a) Projects have not yet been placed in service.

(5) Accounting for Derivative Instruments and Hedging Activities

(a) Interest Rate Swaps

In accordance with the financing agreements described in note 6, *Long-Term Debt*, Chestnut Fund Borrower and CS4 Borrower each entered into a series of fixed for floating forward interest rate swaps for at least 80% and not more than 105% of the expected borrowings under the term loans, intended to hedge the risks associated with floating interest rates. Chestnut Fund and CS4 Borrower will pay their counterparties the equivalent of a fixed interest payment on a predetermined notional value, and quarterly each borrower will receive the equivalent of a floating interest payment based on a three-month LIBOR from the effective date through the maturity date.

(b) Volumetric Underlying Derivative Transactions

The notional amount of the interest rate swaps decreases in proportion to the loans. The following table summarizes the outstanding notional amounts and terms of the interest rate swaps as of December 31, 2019 and 2018:

	Notional amount (in thousands)			
Effective date	**2019**	**2018**	**Fixed Rate**	**Maturity Date**
January 31, 2019	$ 44,063	$ 46,869	2.380%	January 30, 2040
January 31, 2019	11,341	11,755	2.502%	January 30, 2041
January 31, 2019	28,695	29,742	2.495%	January 30, 2041
January 30, 2019	9,921	7,709	3.065%	October 30, 2041
January 30, 2019	22,919	—	2.903%	October 30, 2041
April 15, 2019	5,179	5,252	3.181%	July 15, 2035
April 15, 2019	7,768	7,878	3.181%	July 15, 2035
April 15, 2019	7,768	7,878	3.181%	July 15, 2035
August 28, 2019	16,640	—	1.601%	January 15, 2043
August 28, 2019	24,960	—	1.601%	January 15, 2043
August 28, 2019	24,960	—	1.601%	January 15, 2043
	$ 204,214	$ 117,083		

(c) Fair Value of Derivative Transactions

The following table summarizes the Company's derivative assets and liabilities on the consolidated balance sheets as of December 31, 2019 and 2018 (in thousands):

	2019	**2018**
Derivatives not designated as cash flow hedges:		
Derivative assets:		
Interest rate contracts current	$ 155	$ 184
Interest rate contracts long-term	2,599	1,489
Total assets	$ 2,754	$ 1,673
Derivative liabilities:		
Interest rate contracts current	$ 862	$ 72
Interest rate contracts long-term	7,712	992
Total liabilities	$ 8,574	$ 1,064

(d) Impact of Derivative Instruments on the Consolidated Statements of Operations

The Company's interest rate derivative instruments are not designated as cash flow hedges. The effect of interest rate hedges is recorded to interest expense. For the years ended December 31, 2019 and 2018, the impact to the consolidated statements of operations was a loss of $6.4 million and a gain of $468 thousand, respectively.

(6) Long-Term Debt

(a) *Chestnut Borrower Credit Agreement*

In July 2017, the Company entered into a credit agreement with Deutsche Bank AG, (subsequently amended in June 2018), for term loans of up to $120.3 million and letters of credit of up to $7.5 million. In January 2019, the letters of credit commitment amount under the credit agreement was increased to $7.9 million. The loans bear annual interest at a rate of LIBOR plus an applicable margin, which is 2.50% per annum through the fifth anniversary of the financial closing date, or July 2022, and 2.75% per annum thereafter through the maturity date in March 2024. In addition to interest on the outstanding borrowings, the Company will pay a commitment fee on the unused portions of the term loan and letter of credit commitments equal to 0.75% per year. The borrowings are secured by the Company's interests in the project companies.

As of December 31, 2019, the Company had issued a letter of credit for a commitment of $7.9 million to support the Company's debt service reserve requirements. The Company pays a letter of credit fee of 2.50% per annum on issued amounts under the letter of credit facility on a quarterly basis, which is recorded in interest expense in the consolidated statements of operations.

As of December 31, 2019 and 2018, long-term debt consists of the following (in thousands):

	2019	2018
Total long-term debt (including current maturities)	$ 115,576	$ 117,570
Less current maturities	(8,483)	(5,646)
Less debt issuance costs, net	(3,661)	(4,368)
Long-term debt	$ 103,432	$ 107,556

Distributions from the Company are subject to compliance with the terms and conditions defined in the credit agreement, including a covenant to meet a required debt service coverage ratio of at least 1.20 to 1.0. At December 31, 2019, the Company was in compliance with various restrictive covenants defined in the credit agreement.

Long-term debt maturities as of December 31, 2019 are summarized as follows (in thousands):

Year ending December 31:	
2020	$ 8,483
2021	8,168
2022	7,876
2023	6,641
2024	84,408
	$ 115,576

(b) *CS4 Borrower Credit Agreement*

In September 2018, the Company entered into a credit agreement with three financial institutions for construction loans up to $97.4 million that partially converted to a term loan on June 27, 2019, an investment tax credit bridge loan, or ITC bridge loan, for up to $89.9 million and letter of credit facilities up to $4.9 million. The construction loan and the ITC bridge loan both have an interest rate of LIBOR plus an applicable margin of 1.75% per annum. The ITC bridge loan matures upon the conversion of the construction loans to a term loan. The Company pays quarterly commitment fees of 0.625% per annum on any unused portion of all of the financing commitments described above, with the exception of the term loan. The term loan will bear annual interest at a rate of LIBOR plus an applicable margin, which is 2.00% per annum through the third anniversary of the term conversion, and 2.25% per annum thereafter through the maturity date in June 2026. The construction loan and the ITC bridge loan, and the future term loan, will be secured by the Company's membership interests in the project companies.

As of December 31, 2019, the Company had issued a letter of credit for a commitment of $3.3 million to support the Company's debt service requirements. The Company pays an availability fee of 2.00% per annum on issued amounts under the letter of credit facility on a quarterly basis, which is recorded in interest expense in the consolidated statement of operations.

As of December 31, 2019, long-term debt consists of the following (in thousands):

		2019		2018
Term loan	$	53,777	$	—
Construction loan		20,483		20,387
ITC bridge loan		29,313		32,164
Total long-term debt (including current maturities)		103,573		52,551
Less current maturities		(32,513)		(21,404)
Less debt issuance costs		(4,880)		(5,425)
Long-term debt	$	66,180	$	25,722

Distributions from the Company are subject to compliance with the terms and conditions defined in the credit agreement, including a covenant to meet a required debt service coverage ratio of at least 1.20 to 1.0. As of December 31, 2019, the Company was in compliance with the various restrictive covenants defined in the credit agreement.

Long-term debt maturities as of December 31, 2019 are summarized as follows (in thousands):

Year ending December 31:		
2020	$	32,513
2021		3,513
2022		3,281
2023		2,408
2024		2,397
Thereafter		59,461
	$	103,573

(7) Related Party Transactions

The Company has the following related party transactions and relationships in addition to the acquisition of solar energy systems from Clearway Renew described in note 4, *Property, Plant, and Equipment* and renewable energy certificate revenue described in note 2(k), *Summary of Significant Accounting Policies*. Amounts due to related parties are recorded as accounts payable – affiliate and amounts due to the Company from related parties are recorded as accounts receivable – affiliate on the Company's consolidated balance sheets. These account balances are netted by affiliate party.

Both Chestnut Fund and CS4 Fund have asset management agreements with Solar Asset Management LLC, a subsidiary of Clearway Renew, where Solar Asset Management LLC performs administrative services related to the acquired project companies and receives an asset management fee in an annual amount per project. The Funds will also reimburse Solar Asset Management LLC for certain out-of-pocket costs. Chestnut Fund incurred costs under the agreement of $196 thousand and $185 thousand for the years ended December 31, 2019 and 2018, respectively. CS4 Fund incurred costs under the agreement of $106 thousand and $0 thousand for the years ended December 31, 2019 and 2018, respectively. These costs are included in cost of operations – affiliate in the consolidated statements of operations.

Both Chestnut Fund and CS4 Fund have operations and maintenance agreements with Clearway Renewable Operation & Maintenance LLC, or RENOM, a subsidiary of Clearway Energy Group, to operate and maintain the PV Systems owned by the acquired project companies. RENOM receives a fee in a set annual amount for each project plus reimbursable costs, with an annual escalation of 2.25%. The fee is also subject to adjustments for additional site maintenance, panel washing and replacement costs. Chestnut Fund incurred costs under the agreement of $899 thousand and $488 thousand for the years ended December 31, 2019 and 2018, respectively. CS4 Fund incurred costs under the agreement of $201 thousand and $0 thousand for the years ended December 31, 2019 and 2018, respectively. These costs are included in cost of operations – affiliate in the consolidated statements of operations.

Subject to both the the Chestnut Fund and CS4 Fund Limited Liability Company Agreements, in the event that additional working capital is required by to cause the assets to be properly operated and maintained and to pay for the costs, expenses, obligations and liabilities of Chestnut Fund and CS4, then the Company shall have the right, but not the obligation, to provide all or part of the funds needed by the Company in the form of member loans. These loans were funded through intercompany borrowings from the Company's Class B Member, Renew DG Holdings. As of December 31, 2019 and 2018, $1.6 million was outstanding under member loans for each of the years, which was recorded in short-term debt – affiliate on the consolidated balance sheets.

(8) Leases

The projects owned by the Company entered into various land lease agreements where their respective solar energy facilities are located. During the terms of the leases, the Company will operate the solar energy facilities to supply electric energy to the customers of the previously described community solar installations. The Company is responsible for all operating costs, repairs and maintenance, and insurance related to the facilities. These costs are included in cost of operations in the consolidated statements of operations.

Lease expense for the year ended December 31, 2019 was comprised of the following (in thousands):

		2019
Operating lease cost	$	2,148
Variable lease cost		90
Total lease cost	$	2,238

Lease expense under operating leases was $2.4 million for the year ended December 31, 2018.

Operating lease information as of December 31, 2019 was as follows (in thousands, except term and rate):

		2019
ROU assets - operating leases, net	$	34,767
Short-term lease liability - operating leases	$	500
Long-term lease liability - operating leases		34,703
Total lease liability	$	35,203
Cash paid for operating leases	$	1,875
Weighted average remaining lease term		25 years
Weighted average discount rate		4.17%

Maturities of operating lease liabilities as of December 31, 2019 are as follows (in thousands):

2020	$	1,925
2021		1,966
2022		2,019
2023		2,051
2024		2,086
Thereafter		48,073
Total lease payments	$	58,120
Less imputed interest		(22,917)
Total lease liability - operating leases	$	35,203

Future minimum payments under noncancelable land leases as of December 31, 2018 under ASC 840 were as follows (in thousands):

Year ending December 31:		
2019	$	1,581
2020		1,653
2021		1,680
2022		1,738
2023		1,766
Thereafter		37,521
Total lease payments	$	45,939

(9) Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through March 30, 2020, the date at which the consolidated financial statements were available to be issued, and determined that there are no other items to disclose.