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Hannon Armstrong Invests in 1.6 GW Renewable Energy Portfolio Developed and Managed by Clearway Energy Group

ANNAPOLIS, Md.--(BUSINESS WIRE)-- Hannon Armstrong Sustainable Infrastructure Capital, Inc. ("Hannon Armstrong") (NYSE: HASI), a leading investor in climate solutions, today announced a preferred equity investment in an approximately 1.6 gigawatt (GW) onshore wind and utility-scale solar portfolio developed and managed by Clearway Energy Group, one of the largest developers and operators of clean energy in the United States with a pipeline of 9 GW of renewable energy through 2022.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20201222005672/en/>



"Mesquite Star," a 419 MW wind project located in Fisher and Nolan County, Texas, and "Rosamond Central," a 192 MW utility-scale solar project located in Kern County, California. (Photo: Clearway Energy Group)

The large-scale, diversified, and highly contracted renewables portfolio includes 874 megawatts (MW) of onshore wind, 192 MW of utility-scale solar, and 557 MW of utility-scale solar with 395 MW of co-located storage (seven projects in total) located in four states: California, Hawaii, Texas, and West Virginia. The partnership combines Hannon Armstrong's expertise in providing long-term investment

for climate solutions with the world-class development and asset owner-operator experience of Clearway Energy Group.

"We are pleased to expand our relationship with Clearway Energy Group through a preferred

equity investment in this portfolio of renewable assets," said Hannon Armstrong Chairman and CEO Jeffrey W. Eckel. "Clearway's mission to accelerate the world's transformation to a clean energy future is aligned with our purpose as a climate-positive investor. These assets will be a significant addition to our portfolio, offering increased scale and diversity to our business and supporting continued growth in recurring Net Investment Income," added Eckel.

"We are thrilled to partner with Hannon Armstrong on such an impactful portfolio transaction," said Craig Cornelius, Chief Executive Officer at Clearway Energy Group, LLC. "This geographically diverse portfolio of wind, solar, and energy storage projects represents the economic opportunity of renewable energy in every corner of this country. Taken together, more than 2,500 American jobs will be created to build and operate these clean energy assets, which will go on to supply clean low-cost power to hundreds of thousands of households and businesses across the United States. This agreement with our investment partners will be pivotal in Clearway's continued ability to provide clean energy at the scale our country demands while helping to deliver on investors' growing interest in climate change solutions."

In accordance with the terms of the investment, which reached financial close on December 21, 2020, Hannon Armstrong will hold a preferred equity interest in a number of holding companies owning the cash equity interests in individual portfolio operating projects and will participate in the cash flows from such projects. Hannon Armstrong has funded approximately \$200 million of its investment to date and anticipates funding the remaining portion in 2021 and 2022. Once fully funded, Hannon Armstrong's total investment in the portfolio will be approximately \$663 million.

The remaining ownership of cash equity interests in the holding companies will be held by Clearway Energy, Inc. (NYSE: CWEN, CWEN.A), a publicly traded affiliate of Clearway Energy Group focused on ownership of modern, sustainable, and long-term contracted assets across North America. Clearway Energy Group will continue to manage the assets and provide operations and maintenance services.

Highlights

- The portfolio includes three wind, one solar, and three solar-plus-storage projects representing approximately 1.6 GW of renewable energy generation and 395 MW of storage capacity, including:
 - Daggett Solar: a 482 MW utility-scale solar project with 320 MW of co-located storage located in San Bernardino County, California.
 - Mesquite Star: a 419 MW wind project located in Fisher and Nolan County, Texas.
 - Mesquite Sky: a 345 MW wind project located in Callahan County, Texas.
 - Rosamond Central: a 192 MW utility-scale solar project located in Kern County, California.
 - Black Rock: a 110 MW wind project in Mineral and Grant County, West Virginia.
 - Waiawa and Mililani: a 36 MW utility-scale solar project and a 39 MW utility-scale solar project with a combined 75 MW of co-located storage located in Oahu, Hawaii.
- With a weighted average contract life of greater than 14 years, the portfolio's cash flows are contracted with a diversified group of predominately investment-grade

corporate, utility, university, and municipal offtakers.

- With a CarbonCount® score of 1.06 metric tons of carbon dioxide equivalent (CO₂e) reduced annually per \$1,000 invested, Hannon Armstrong's investment will avoid an estimated 703,000 metric tons of CO₂e annually, equivalent to the CO₂e emissions from the annual electricity consumption of approximately 119,000 U.S. homes.

About Hannon Armstrong

Hannon Armstrong (NYSE: HASI) is the first U.S. public company solely dedicated to investments in climate solutions, providing capital to leading companies in energy efficiency, renewable energy, and other sustainable infrastructure markets. With more than \$6 billion in managed assets as of September 30, 2020, Hannon Armstrong's core purpose is to make climate-positive investments with superior risk-adjusted returns. For more information, please visit www.hannonarmstrong.com. Follow Hannon Armstrong on [LinkedIn](#) and Twitter [@HannonArmstrong](#).

Forward Looking Statements

Some of the information in this press release contains forward-looking statements and within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this press release, words such as "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may," "target," or similar expressions, are intended to identify such forward-looking statements. Forward-looking statements are subject to significant risks and uncertainties. Investors are cautioned against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ materially from those described in the forward-looking statements include those discussed under the caption "Risk Factors" included in our Annual Report on Form 10-K for our fiscal year ended December 31, 2019, which was filed with the U.S. Securities and Exchange Commission ("SEC"), as well as in other reports that we file with the SEC.

Forward-looking statements are based on beliefs, assumptions and expectations as of the date of this press release. We disclaim any obligation to publicly release the results of any revisions to these forward-looking statements reflecting new estimates, events or circumstances after the date of this press release.

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