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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): April 1, 2015

PATTERN ENERGY GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36087
(Commission
File Number)

90-0893251
(IRS Employer
Identification Number)

Pier 1, Bay 3
San Francisco, CA 94111
(Address and zip code of principal executive offices)

(415) 283-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

Purchase and Sale Agreement with Wind Capital Group

On April 1, 2015, Pattern Energy Group Inc. (“**Pattern Energy**”), entered into a Purchase and Sale Agreement (the “**WCG PSA**”) with Wind Capital Group, LLC (“**LC Seller**”), a Delaware limited liability company, and Lincoln County Wind Project Finco, LLC (“**PR Seller**”), a Delaware limited liability company, pursuant to which, upon the terms and subject to the conditions set forth in the WCG PSA, Pattern Energy will purchase at closing (the “**LC and PR Closing**”):

- (1) from LC Seller, 100% of the membership interests in Lost Creek Wind Finco, LLC (“**Lost Creek Finco**”), a Delaware limited liability company, which owns 100% of the Class B membership interests in Lost Creek Wind Holdco, LLC, a Delaware limited liability company that owns 100% of the membership interests in Lost Creek Wind, LLC, a Delaware limited liability company that owns and operates a 150 MW wind energy project in King City, Missouri; and
- (2) from PR Seller, 100% of the membership interests in Lincoln County Wind Project Holdco, LLC (“**Lincoln County Holdco**”), a Delaware limited liability company, which owns 100% of the Class B membership interests in Post Rock Wind Power Project, LLC, a Delaware limited liability company that owns and operates a 201 MW wind energy project in Ellsworth and Lincoln Counties, Kansas.

The acquisition of the membership interests in Lost Creek Finco and the Lincoln County Holdco would be for aggregate consideration of approximately \$244 million, subject to certain adjustments. In addition, in connection with the LC and PR Closing, the Wind Capital Group projects purchased are expected to have third-party project-level debt. As of December 31, 2014, the third-party project-level net debt was approximately \$102 million. Pattern Energy would assume certain ordinary course performance guarantees securing project obligations.

Pattern Energy expects to fund the acquisition from available cash and credit facilities.

The obligations of Pattern Energy, LC Seller, and PR Seller to consummate the transactions contemplated by the WCG PSA are subject to the satisfaction or waiver of various customary conditions, including, among others, (1) the accuracy as of the LC and PR Closing of the representations and warranties of the other party set forth in the WCG PSA, subject to certain exceptions, (2) the receipt of all governmental approvals, and the termination or expiration of waiting periods imposed by any governmental authorities, necessary for the consummation of the transactions contemplated by the WCG PSA, (3) no litigation order, action or proceeding shall have been entered or instituted that restrains or prohibits the consummation of the transactions contemplated by the WCG PSA, (4) the receipt of all necessary consents by such party, (5) in the case of Pattern Energy, no material adverse effect shall have occurred, and (6) in the case of LC Seller and PR Seller, Pattern Energy’s replacement of certain ordinary course performance guarantees securing project obligations with parent guarantees, letters of credit, bonds, indemnities or other credit assurance of a comparable and sufficient nature that satisfies the requirements of the counterparties.

The WCG PSA provides for certain limited rights, held by both parties, to terminate the WCG PSA, including, among others, if the LC and PR Closing has not occurred on or before June 30, 2015; provided, if the only condition remaining to be satisfied is the receipt of one or more governmental approvals or delivery of requested audited financial statements, then the termination date may be extended to July 31, 2015.

The WCG PSA includes customary representations by Pattern Energy, LC Seller and PR Seller, including, among others, as to existence, requisite corporate power, due authorization, non-contravention, consents and governmental approvals, permits, compliance with laws, no litigation or adverse claims, and tax matters, and, with respect to LC Seller and PR Seller, capital of the acquired entities, real property and environmental matters, financial statements, absence of undisclosed liabilities, and absence of certain changes. The WCG PSA provides for customary indemnification by Pattern Energy on the one hand and LC Seller and PR Seller on the other hand, as applicable, for breaches of representations or covenants, which indemnification is subject to customary limitations including, among other things with respect to claims against the selling parties a deductible, cap, and time limits except in respect of claims involving fraud, wilful misconduct, or breach of certain fundamental representations.

The foregoing description of the WCG PSA does not purport to be a complete description.

K2 Purchase and Sale Agreement

On April 4, 2015, an indirect wholly owned subsidiary of Pattern Energy, Pattern Canada Finance Company ULC, a Nova Scotia unlimited liability company (“PCFC”), entered into a Purchase and Sale Agreement (the “K2 PSA”) with Pattern Energy Group LP, a Delaware limited partnership (the “K2 Seller”). Upon the terms and subject to the conditions set forth in the K2 PSA, PCFC will purchase at the closing (the “K2 Closing”) from affiliates of the K2 Seller a one-third limited partnership interest in K2 Wind Ontario Limited Partnership (the “Project Company”), as well as 100% of the issued and outstanding shares in the capital of Pattern K2 GP Holdings Inc. for a consideration of approximately \$128 million, subject to certain adjustments, plus assumed estimated proportionate debt at term conversion of \$218 million U.S. dollar equivalent. The Project Company is constructing and, following its commercial operation date, will operate the approximately 270 MW wind project located in the Township of Ashfield-Colborne Wawanosh, Ontario. Following the K2 Closing, PCFC will (a) directly own a one-third limited partnership interest in the Project Company and (b) depending on the date of the K2 Closing, directly own 25% or one third, if the K2 Closing occurs after the project reaches commercial operation, of the issued and outstanding shares of K2 Wind Ontario Inc. and indirectly hold a 0.0025% or 0.0033%, as the case may be, general partnership interest in the Project Company.

Pattern Energy’s and K2 Seller’s obligations to consummate the transactions contemplated by the K2 PSA are subject to the satisfaction or waiver of various customary conditions, including, among others, (1) no violation of governmental rules, and no order of any court or administrative agency being in effect which restrains or prohibits the transactions contemplated by the K2 PSA, and (2) subject to certain exceptions, the accuracy of the representations of the other party set forth in the K2 PSA.

The K2 PSA provides for certain limited rights to terminate the K2 PSA, including if the transactions contemplated by the K2 PSA have not been consummated by September 30, 2015.

The K2 PSA includes customary representations by Pattern Energy and K2 Seller, including as to due authorization, non-contravention, governmental consents and approvals, enforceability, ownership and title and no litigation or adverse claims, tax matters and with respect to the underlying wind project. The K2 PSA provides for customary indemnification by Pattern Energy and K2 Seller, as applicable, for breaches of representations or covenants, which indemnification is subject to customary limitations including, among other things, a cap and time limits.

The K2 PSA was recommended by the Conflicts Committee, which is comprised solely of independent directors, for approval by Pattern Energy’s Board of Directors, and approved by the Board of Directors.

Item 7.01 Regulation FD Disclosure.

On April 6, 2015, Pattern Energy issued a press release. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information included in this Current Report on Form 8-K under this Item 7.01 (including Exhibit 99.1 hereto) is being “furnished” and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Section 18, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such filing. The information included in this Current Report on Form 8-K under this Item 7.01 (including Exhibit 99.1 hereto) will not be deemed an admission as to the materiality of any information required to be disclosed solely to satisfy the requirements of Regulation FD.

Item 9.01 Financial Statements and Exhibits.

d. Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press releases issued by Patter Energy Group Inc. dated April 6, 2015

SIGNATURE

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

Dated: April 7, 2015

PATTERN ENERGY GROUP INC.

By: /s/ Kim H. Liou

Name: Kim H. Liou

Title: Secretary



**Pattern Energy Increases Annual
CAFD Per Share Growth Target to 12-15%**

Agrees to acquire three wind facilities, adding 360MW or 22% to owned capacity

SAN FRANCISCO, California, April 6, 2015 – Pattern Energy Group Inc. (NASDAQ: PEGI) (TSX: PEG) (“Pattern Energy” or “the Company”), today announced it has increased its growth target for cash available for distribution (CAFD) per share to a compound annual growth rate (CAGR) of 12-15% for the next three years. Pattern Energy also today announced it has entered into definitive agreements to acquire three wind power facilities for a total combined equity purchase price of \$372 million together with the assumption of \$320 million in net debt and certain tax equity non-controlling interests.

Highlights

- Company increases CAFD per share⁽¹⁾ growth target to a 12-15% CAGR for the next three years
- Agrees to acquire three wind facilities, adding 360 MW – an increase of 22% – in owned capacity
- The three facilities have long-term power sale contracts and best-in-class turbines
- Acquisitions are immediately accretive, at attractive acquisition metrics of 11-12x purchase price multiple on run-rate CAFD⁽¹⁾ and 10-11x total acquisition price⁽²⁾ multiple on run-rate Adjusted EBITDA⁽³⁾
- Acquisitions to be funded with available cash and revolving credit facilities
- Company provides update on Q1 2015 wind production, which is below the long-term average

Increased Growth Target

Pattern Energy has entered into agreements with Wind Capital Group, LLC (“WCG”) to acquire two operational wind power facilities. The Company has also agreed to acquire the K2 Wind facility from Pattern Energy Group LP (Pattern Development). Upon closing, the acquisition of these three wind power facilities will add 360 MW of owned capacity to Pattern Energy’s portfolio – an increase of 22% – growing the portfolio to 15 wind power facilities with a total owned interest of 1,996 MW. The acquisitions expand Pattern Energy’s operations into two new U.S. states, Kansas and Missouri, and increase the Company’s presence in Ontario.

“We are increasing our CAFD per share growth target to 12-15% due to several key factors that give us added confidence in achieving or exceeding our growth objectives, including today’s three acquisitions, advancement of our nearly 1,000 megawatts (MW) in identified ROFO projects and the expansion of our development pipeline, including visibility to more than 500 MW of projects that will be ready to be added to the identified ROFO list over the next 12 months,” said Mike Garland, President and CEO of Pattern Energy. “Growing our portfolio with three high-quality, fully-contracted power facilities immediately increases our cash flow, adds important scale to our growing portfolio and provides us with a strong platform to achieve strategic and corporate finance objectives. The Wind Capital Group transaction demonstrates our ability to seek out accretive third-party acquisitions of assets that are highly complementary to our fleet. The K2 Wind acquisition is another example of the deep value in our robust pipeline of projects from Pattern Development, which totals approximately 4,500 MW of potential future acquisitions.”

Pattern Energy’s list of identified ROFO projects with Pattern Development will be 887 MW after the completion of the purchase of K2 Wind. Pattern Development has recently significantly expanded its development pipeline to more than 4,500 MW, up from 3,000 MW. From the 4,500 MW pipeline, Pattern Energy anticipates adding significant new projects to the identified ROFO list in the coming year. Since its IPO, Pattern Energy has purchased 640 MW from Pattern Development.

Combined Acquisitions

Pattern Energy has entered into definitive agreements to acquire three wind power facilities for a total combined purchase price of \$372 million together with the assumption of \$320 million in net debt and certain tax equity non-controlling interests. The purchase price will be funded with available cash and Pattern Energy’s revolving credit facility and represents an 11-12x multiple on run-rate CAFD contribution from the facilities.

Post Rock Wind and Lost Creek Wind

Pattern Energy has entered into agreements with WCG to acquire two operational wind power facilities totaling 350 MW from WCG and its affiliates for a purchase price of \$244 million plus assumed net debt of \$102 million. The acquisition includes ownership interests in the 200 MW Post Rock Wind facility in Kansas, which uses 134 1.5 MW GE turbines and the 150 MW Lost Creek Wind facility in Missouri which uses 100 1.5 MW GE turbines. Pattern Energy expects to acquire a total combined owned interest of 270 MW in these two facilities.

Post Rock Wind and Lost Creek Wind, which have been operational for an average of approximately three years, are fully contracted under power purchase agreements with highly credit-worthy counterparties. The Post Rock Wind facility in Kansas has a long-term contract with Westar, which has a BBB+ credit rating. The Lost Creek Wind facility in Missouri has a long-term contract with Associated Electric Cooperative Incorporated, which has an AA credit rating. The average remaining life of the contracts is 17 years.

The WCG transactions are expected to close within 60-90 days, subject to receipt of certain regulatory approvals and satisfaction or waiver of other customary conditions.

K2 Wind

Pattern Energy also entered into an agreement to acquire an owned interest of 90 MW in the K2 Wind power facility from Pattern Development for a purchase price of \$128 million plus assumed estimated proportionate debt at term conversion of \$218 million U.S. dollar equivalent. Pattern Energy will hold a 33% equity interest in the facility, which is equally co-owned by Samsung Renewable Energy, Inc. and Capital Power LP. K2 Wind, a 270 MW project located in Ontario, Canada, is expected to reach commercial operation in the second quarter of 2015. The facility has a 20 year power purchase agreement with the Independent Electricity System Operator (IESO) and uses 140 2.3 MW Siemens turbines, the same turbines used at Pattern Energy's operating facilities in Ontario.

The Conflicts Committee of the Board of Directors of Pattern Energy, which is comprised entirely of independent directors, reviewed and recommended the terms of the K2 Wind acquisition to the Board. The Committee was advised on financial matters by Evercore Group L.L.C., which also provided fairness opinion, and on legal matters by Davis Polk & Wardwell LLP.

First Quarter Production

According to Vaisala, a globally-recognized environmental measurement company with meteorological expertise, average wind conditions across the western United States and Texas were 20% or more below normal for the first quarter of 2015. The low production is primarily the result of unusual weather conditions brought on by particular features of the current El Niño weather pattern over the Pacific Ocean. Meteorologists also attribute the abnormal wind conditions to the above average winter temperatures in these areas partly caused by the El Niño weather. Vaisala stated that the observed weather pattern is nothing unusual or outside of the range of the expected after their review of long term global datasets.

Consistent with Vaisala's observations, Pattern Energy's Q1 2015 production at its wind power facilities in the western U.S. and Texas have been adversely affected by the El Niño weather, resulting in a reduction in expected production of approximately 5% of the Company's total annual expected production.

About Pattern Energy

Pattern Energy Group Inc. (Pattern Energy) is an independent power company listed on the NASDAQ ("PEGI") and Toronto Stock Exchange ("PEG"). Pattern Energy has a portfolio of 15 wind power facilities, including three projects it has agreed to acquire, with a total owned interest of 1,996 MW, in the United States, Canada and Chile that use proven, best-in-class technology. Pattern Energy's wind power facilities generate stable long-term cash flows in attractive markets and provide a solid foundation for the continued growth of the business. For more information, visit www.patternenergy.com.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this press release constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and “forward-looking information” within the meaning of Canadian securities laws, including statements regarding annual CAFD per share growth, the ability to close each of the WCG and K2 Wind transactions, the immediate accretiveness of the acquisitions, the ability to add additional projects to the identified ROFO list over the next 12 months, the ability of the acquisitions to provide us a platform to achieve strategic and corporate finance objectives, the ability of Pattern Development pipeline projects to be potentially acquired in the future, the ability of Pattern Energy to unwind the tax partnership of Lost Creek Wind after three years, the ability to receive regulatory approvals for, and the anticipated closing date of, the WCG transactions, the expected commercial operation date of K2 Wind, and the expected production reduction of total annual expected production and the potential duration of such reduction as a result of current wind conditions. These forward-looking statements represent Pattern Energy’s expectations or beliefs concerning future events, and it is possible that the results described in this press release will not be achieved. These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of Pattern Energy’s control, which could cause actual results to differ materially from the results discussed in the forward-looking statements.

Any forward-looking statement speaks only as of the date on which it is made, and, except as required by law, Pattern Energy does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for Pattern Energy to predict all such factors. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in Pattern Energy’s annual report on Form 10-K and any quarterly reports on Form 10-Q. The risk factors and other factors noted therein could cause actual events or Pattern Energy’s actual results to differ materially from those contained in any forward-looking statement.

- (1) *These forward looking measures of run-rate CAFD and CAFD per share growth are non-GAAP measure that cannot be reconciled to net cash provided by operating activities as the most directly comparable GAAP financial measure without unreasonable effort. A description of the adjustments to determine CAFD can be found on page 74 of Pattern Energy’s 2014 Annual Report on Form 10-K.*
- (2) *Total acquisition price is the consideration paid to the sellers plus the proportionate share of assumed debt of K2 Wind, the estimated net third party debt of Lost Creek Wind and the estimated fair value of the tax equity.*
- (3) *This forward looking measure of run-rate Adjusted EBITDA is a non-GAAP measure that cannot be reconciled to net income as the most directly comparable GAAP financial measure without unreasonable effort. A description of the adjustments to determine Adjusted EBITDA can be found on page 73 of Pattern Energy’s 2014 Annual Report on Form 10-K.*

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