

Rising development spending reshapes Greenbacker's balance sheet

Teri Buhl

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Greenbacker Renewable Energy sharply increased development spending in 2025 as construction accelerated across its renewable pipeline, pushing borrowing higher and placing pressure on the company's balance sheet even as its operating assets continued to generate stable revenue.

Net cash used in investing activities rose to \$279.4 million in 2025, up from \$210.6 million in 2024, according to the company's latest 10-K filing. The increase reflects \$520.7 million of construction spending tied primarily to large-scale solar and battery storage projects under development.

The buildout has been led by the Cider solar project in Genesee County, New York, but the company has also been advancing multiple renewable and storage assets across its broader pipeline.

As development spending increased, Greenbacker turned to a combination of refinancings and new borrowing to support construction activity.

Interest expense rose to \$79.9 million in 2025, exceeding the company's \$72.0 million of adjusted EBITDA, as the renewable developer drew additional debt to fund project construction and refinance existing facilities.

During the year, Greenbacker completed more than \$400 million of portfolio refinancings, loan maturity extensions and construction loan upsizing across its renewable platform.

Those transactions included a \$188 million increase to a \$373 million construction loan originally issued in mid-2024 supporting the Cider solar project, according to IJGlobal data.

The company also completed a \$440 million tax equity financing for Cider in February 2025 with US Bank and M&T Bank, following an almost \$1 billion financing that closed in January to support construction of the solar facility.

Greenbacker said the tax equity investment represents the final source of capital required to fully finance the project and unlock additional borrowing capacity under the existing construction-to-term loan and related facilities.

A person familiar with the situation said the tax equity funding allowed the project to reach a milestone that released previously restricted funds to pay down earlier debt. IJGlobal previously reported that the project secured a \$417 million tax equity bridge loan in 2024 with a three-year tenor.

Cider is a 674MWdc/500MWac solar project expected to become the largest solar facility in New York State upon operationalization. The project has a 20-year power-purchase agreement with the New York State Energy Research and Development Authority.

Greenbacker acquired the project at the development stage from Hecate Energy in June 2024 for an estimated \$54.3 million.

Alongside the Cider-related financings, the company also completed a \$53 million portfolio refinancing with KeyBanc Capital Markets, consolidating three separate bank loan facilities across smaller solar portfolios representing 104MW of generation capacity into a single financing structure known as a roll-up, according to a person familiar with the transaction.

Development buildout pressures balance sheet

This expansion of Greenbacker's development pipeline has begun to reshape the company's capital structure.

Total borrowings rose to \$1.3 billion as of 31 December 2025, up from \$1.1 billion a year earlier, while the company reported roughly \$1.4 billion of debt at the IPP level as of September 2025.

Approximately \$225.9 million of revolver capacity remained available under existing facilities.

Liquidity has also declined. Greenbacker reported \$66.6 million of cash and cash equivalents and \$18.6 million of restricted cash at the end of 2025, compared with \$120.1 million and \$38.4 million, respectively, a year earlier.

The company said it expects to increase draws on existing facilities or enter additional financing arrangements in 2026 to support near-term liquidity needs.

Greenbacker disclosed a weighted average interest rate of 3.37% on total debt outstanding, including the impact of swap agreements and deferred financing costs, and after adjusting for interest capitalized during construction.

Operating assets provide stable revenue

Despite increased development spending, the company's operating renewable assets continued to generate stable revenue.

For the year ended 31 December 2025, Greenbacker reported total net revenue of \$191.2 million, compared with \$195.8 million in 2024.

Energy revenue from the company's independent power producer portfolio totaled \$182.5 million, including \$87.3 million from solar PPAs and \$68.9 million from wind projects.

Wind PPA revenue increased 4.8% year-on-year due to stronger wind resources and additional assets entering service, while solar PPA revenue declined slightly.

Overall revenue declined modestly as the company sold several operating projects, including assets previously owned by Celadon Manager, Dogwood Manager and GREC Entity Holdco, which reduced renewable energy credit revenue and other incentives.

Revenue from Greenbacker's investment management segment also fell to \$11.5 million, down from \$18.8 million a year earlier.

Segment adjusted EBITDA from the IPP portfolio increased to \$96.7 million in 2025, up from \$81.2 million in 2024, reflecting improved operating performance across the wind and solar fleet.

However, the company recorded \$94.7 million in losses tied to asset dispositions, \$46.8 million in impairments on long-lived assets and \$88.7 million in depreciation and amortization, resulting in an operating loss of \$183.5 million and a net loss of \$194.6 million for the year.

Greenbacker has also faced operational and contractual disputes within parts of its portfolio.

In September 2025, subsidiaries CO Buffalo Flats LLC and GB Solar TE 2020 Holdings LLC initiated arbitration proceedings

against the EPC contractor for one of its solar projects and the contractor's surety over alleged module performance issues. The arbitration is pending, with hearings proposed for September 2027.

Separately, a Greenbacker subsidiary filed a lawsuit in the New Jersey Superior Court against McKesson Corporation, alleging a breach of a PPA tied to a rooftop solar installation following a July 2023 fire. The company is seeking at least \$18 million in damages related to lost power sales and renewable energy credits.

Strategic review underway

Against this backdrop, Greenbacker has launched a strategic review of the platform with Morgan Stanley advising on the process.

The company has received final bids for the sale of its management company and equity stakes in roughly 2GW of renewable energy projects, IJGlobal first reported in February.

The process could reach exclusivity by the end of the month, though a board vote is still required, said a source familiar with the process.

The sale process includes Greenbacker Capital Management, which manages the \$400 million Greenbacker Development Opportunities Fund, whose investors must approve any change of control.

Greenbacker declined to comment.

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