



Sunrun Creation Cost Supplemental Calculations
November 10, 2016
(\$000s, except per watt and MW)

Installation Cost per Watt (\$ in 000s)	Q2 2016 Actuals	Q3 2016 Actuals	
	<u>Q2 2016</u>	<u>Q3 2016</u>	<u>Change</u>
Solar Energy Systems, net footnote disclosure			
Solar energy system equipment costs (gross)	\$2,148,251	\$2,301,601	\$153,356
Inverters (gross)	217,931	238,637	20,707
Solar energy systems under construction	77,832	92,346	14,508
Solar energy systems capitalized costs	\$2,444,014	\$2,632,585	\$188,570
/ Total MW Deployed under leases and PPAs			71.6
= Installation cost per watt			\$2.63

Sales & Marketing Cost per Watt (\$ in 000s)	Q3 2016
Sales and marketing operating expense	\$40,192
(-) Sales and marketing stock-based compensation expense	2,484
(-) Sales and marketing intangibles amortization and contingent purchase consideration	1,731
Sales and marketing expense, excluding non-cash and other non-sales related items	\$35,977
/ MW Booked	78.6
= Sales and marketing operating expense per watt	\$0.46

	Q2 2016	Q3 2016	Change
Initial direct costs (from Solar Energy Systems, net footnote disclosure)	\$93,185	\$106,556	\$13,371
/ MW Deployed under leases and PPAs			71.6
= Capitalized sales costs related to PPAs and leases deployed per watt			\$0.19

	Q3 2016
Sales and marketing operating expense per watt	\$0.46
(+) Capitalized sales cost per watt	\$0.19
= Sales and marketing cost per watt	\$0.64

G&A Cost per Watt (\$ in 000s)	Q3 2016
General and administrative operating expense	\$21,331
(-) General and administrative stock-based compensation expense	1,983
(-) General and administrative intangibles amortization	287
General and administrative expense, excluding non-cash items	\$19,061
/ MW Deployed	79.9
= General and administrative cost per watt	\$0.24

Gross Margin from solar energy systems and product sales	Q3 2016
Solar energy systems and product sales	\$68,883
(-) Cost of solar energy systems and product sales	57,264
(+) Solar energy systems and product sales stock-based compensation expense	86
Gross margin from solar energy systems and product sales, excluding non-cash items	\$11,705
/ MW Deployed	79.9
= Platform Services Margin per watt	\$0.15

Total Cost Stack less Gross Margin from solar energy systems and product sales	Q3 2016
Installation	\$2.63
Sales and marketing	\$0.64
General and administrative	\$0.24
	\$3.52
(-) Platform Services Margin	(\$0.15)
= Creation Cost per watt	\$3.37

*Amounts may not add due to rounding