



Create a planet run by the sun.



Q4 Financial Results – March 8, 2017

Safe Harbor & Forward Looking Statements



This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements in this presentation include, but are not limited to, statements related to financial and operating guidance and expectations for our fourth quarter and full year 2016, momentum in our business strategies, expectations regarding our strategic partnership with National Grid, expectations regarding customers, cost reductions, project value, MW booked, MW deployed, product mix, proceeds raised on assets deployed and NPV as well as our ability to raise debt and tax equity, manage cash flow and liquidity, leverage our platform services and deliver on planned innovations and investments as well as expectations for our growth, the growth of the industry, macroeconomic trends and the legislative and regulatory environment of the industry.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. These forward-looking statements are subject to a number of risks, uncertainties and assumptions which could cause our results to differ materially and adversely from those expressed or implied including, but not limited to: the availability of additional financing on acceptable terms; changes in the retail prices of traditional utility generated electricity; changes in policies and regulations including net metering and interconnection limits or caps; the availability of rebates, tax credits and other incentives; the availability of solar panels and other raw materials; our limited operating history, particularly as a new public company; our ability to attract and retain our relationships with third parties, including our solar partners; our ability to meet the covenants in our investment funds and debt facilities; and such other risks and uncertainties identified in the reports that we file with the U.S. Securities and Exchange Commission, or SEC, from time to time. You should not rely on forward-looking statements as predictions of future events.

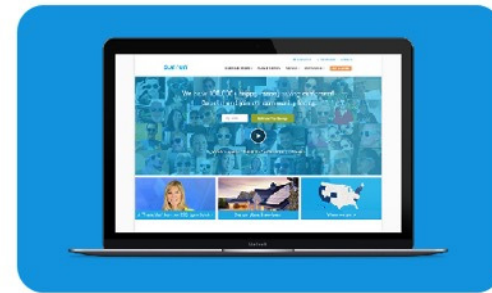
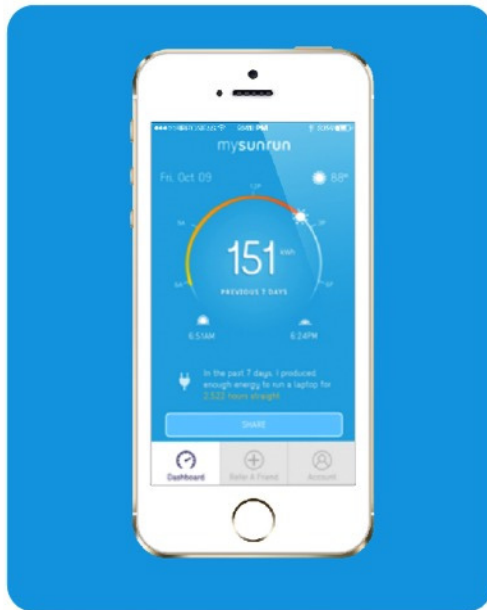
All forward-looking statements in this presentation are based on information available to us as of the date hereof, and we assume no obligation to update publicly these forward-looking statements for any reason, except as required by law.

Create a planet run by the sun



Actual neighborhood of Sunrun customer homes

It Takes a Great Brand to Get Invited Home to Meet the Family



Sunrun Gains Market Share and Generates Significant Value

**77 MW
Deployed**

13% increase
from Q4 2015

29% increase excluding Nevada

**\$67 Million NPV
Generated**

47% increase
from Q4 2015

\$1.00 per watt in NPV

**\$1.0 Billion in Net
Earning Assets**

30% increase from Q4 2015

**\$4.41 Project
Value Per Watt**

Consistent with Q3 2016

**\$3.41 Creation
Cost⁽¹⁾ Per Watt**

\$0.31 or **8%** improvement
from Q4 2015

**879 Cumulative
MW Deployed**

47% increase from Q4 2015

See Appendix for glossary of terms

(1) Creation cost methodology modified in Q4 2016 to divide all costs, including Sales & Marketing expenses, by MW Deployed or MW Deployed under Leases or PPAs (instead of dividing Sales & Marketing expenses by MW Booked); Prior periods reflect the new methodology. Please see Appendix for a complete summary of the changes and full glossary of terms.

Supportive Key Industry Trends



Multi-channel model enables share gains

- Bringing our scale benefits to the fragmented, local, solar industry
- Leveraging our infrastructure cost-effectively to reach the most number of customers with products they want: leases, loans, cash sales, and storage

Pioneering Solar + Storage as a Service

- Launched our BrightBox™ Solar plus storage solution which has gained momentum and has been put to the test with tough weather in CA
- More than 1,000 orders for our BrightBox™ product in Hawaii and California alone
- Highlights need for a service provider

Utilities and regulators recognizing the inevitability of rooftop solar

- Multi-faceted partnership forged with National Grid, a major multi-national utility
- Nevada regulator ordered return of net metering in the major northern Nevada utility
- Arizona settlement includes grandfathering, rebukes demand charges and offers time-of-use, maintaining a viable solar market

Asset value affirmed through National Grid transaction

- \$100 million project equity investment enables us to achieve advance rate of ~95% to 100% of contracted Project Value, validating ~6% unlevered discount rate for contracted cash flows

2017 Priorities



Be the Nation's Leading Local Home Solar Provider

- Remain customer obsessed – deliver excellent service and savings to customers
- Leverage our national scale and local execution to deliver maximum cost efficiencies and success in each market we operate in
- Operational excellence across all business functions

Grow Sustainably In Existing & New Markets

- Remain focused on disciplined growth – continue to focus on NPV generation through selective growth and cost improvements
- Leverage low-cost capabilities to bring savings to more people in more states
- Less than 2% of U.S. households have adopted solar thus far, but in Hawaii, where residential solar first made economic sense, adoption has surpassed 36% and growth is continuing

Innovate Brilliant Home Energy

- Leverage leading position to address all home energy needs, including BrightBox™, our solar + storage offering and grid services to enhance value proposition to our customers and the grid at large

Collaborate on Energy Policies of the Future

- Work collaboratively with regulators and utilities to demonstrate the cost-effectiveness and valuable role Distributed Energy Resources can play in the overall energy market
- Recent blog post on this topic at www.sunrun.com/value

Sunrun Pioneers Solar + Storage as a Service with BrightBox™

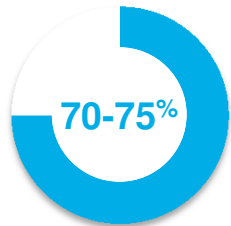
- Compelling Customer Value Proposition – backup power and ability to drive savings under various utility rate structures
- Over 1,000 orders already received, reflecting over 20 MWhrs, in Hawaii and California
- Higher than-average NPV per Watt
- Bundled connected home energy management, storage and other advanced technologies add greater value than solar alone and are best addressed with monthly billing models from a dedicated service provider

From a BrightBox™ customer:

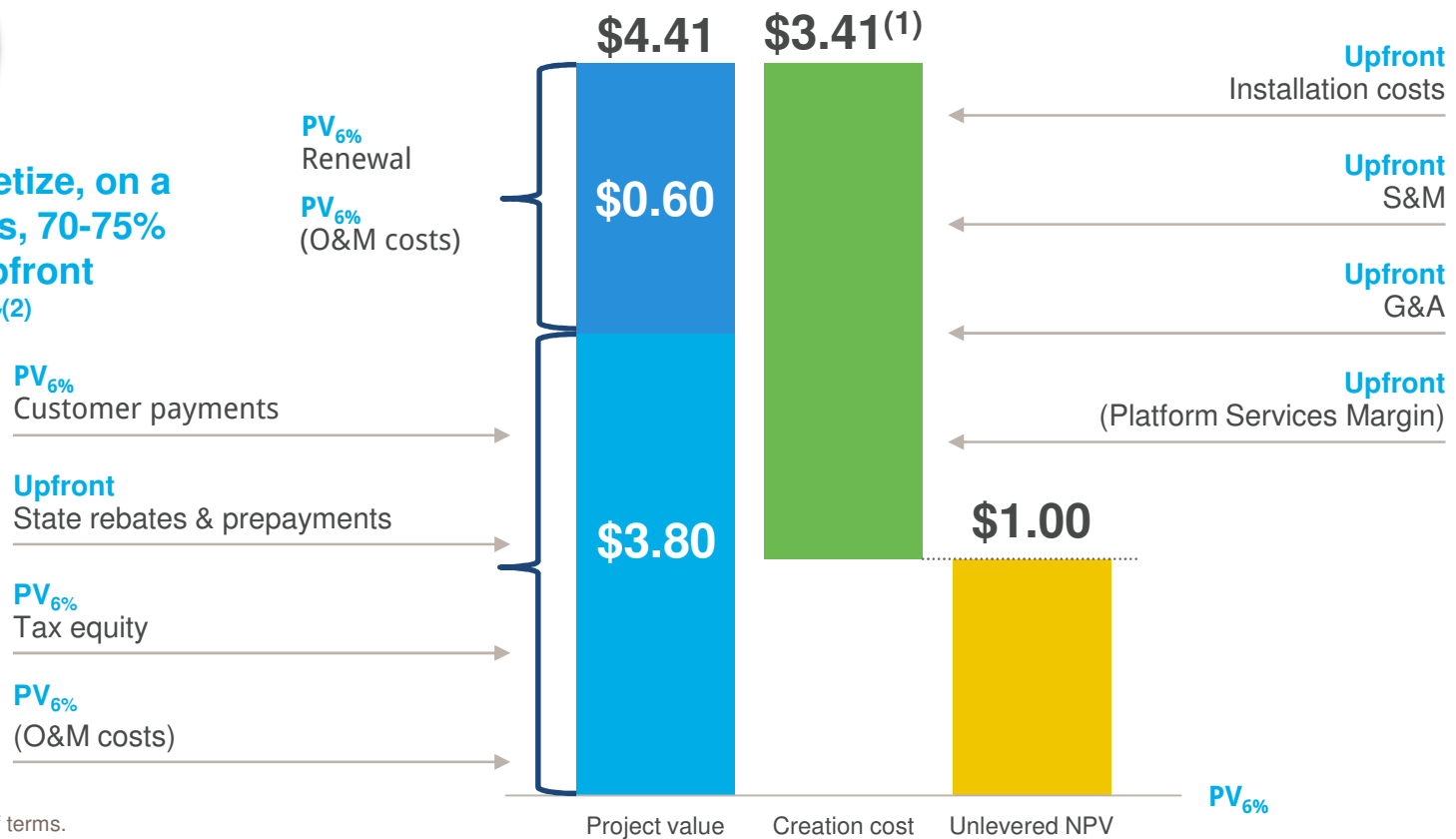
“My system had just gone live a few days before the January 2017 major storms were forecast. I can honestly say I was looking for proof that the backup was fully operational in a real environment. Well, I got (proof) one evening and everything worked better than expected; refrigerator/freezer, garage freezer, lights, both TVs.... Power was off only a little over 2 hours but I am sure I would have easily made it through the night since I had a 100% charge”

-Bob Smith, California

We Generated Unlevered NPV of \$1.00 Per Watt in Q4



We expect to monetize, on a non-recourse basis, 70-75% of Project Value upfront before cash equity⁽²⁾



See Appendix for glossary of terms.

Note: Numbers may not sum due to rounding.

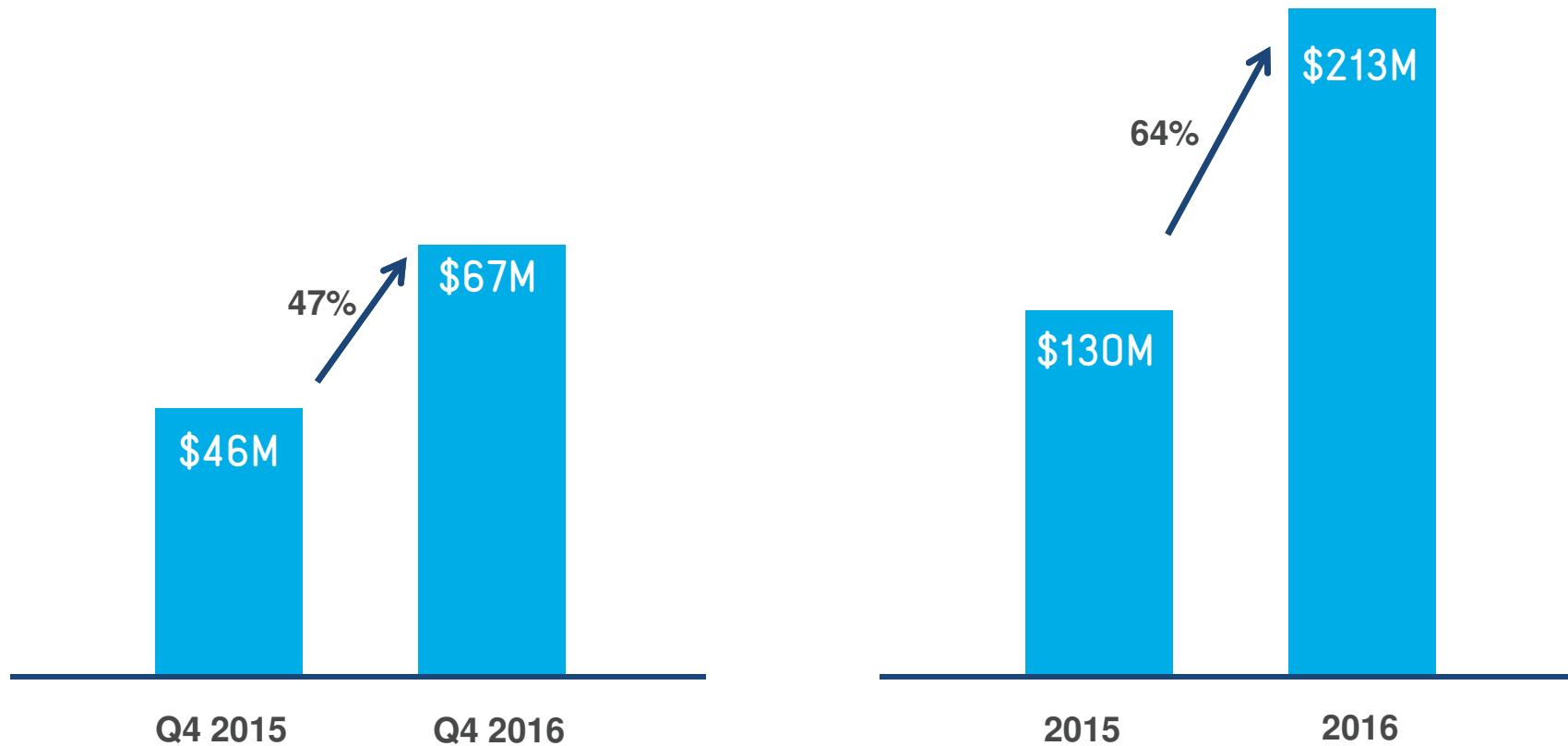
(1) Creation cost methodology modified in Q4 2016 to divide all costs, including Sales & Marketing expenses, by MW Deployed or MW Deployed under Leases or PPAs (instead of dividing Sales & Marketing expenses by MW Booked); Prior periods reflect the new methodology. Please see Appendix for a complete summary of the changes and full glossary of terms.

(2) We expect to monetize, on a non-recourse basis, 70-75% of Project Value upfront which would reflect approximately 81-87% of contracted Project Value in Q4.



2016 NPV of \$213M Up 64% Year-Over-Year

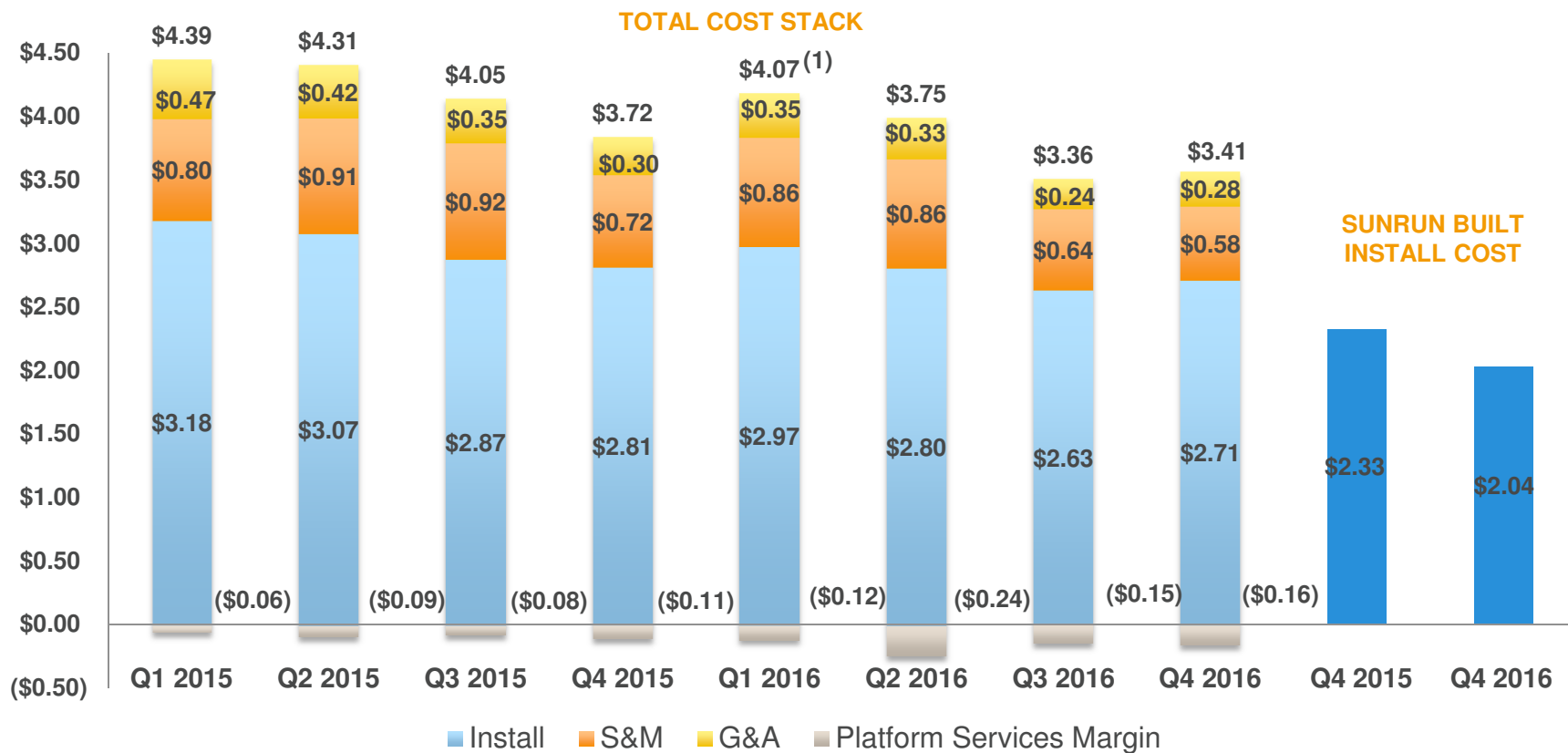
Driven by volume growth and unit economic improvements



See Appendix for glossary of terms.

Costs Declined 8% Year-Over-Year

Sunrun Built Install Cost At \$2.04 / Watt, a \$0.29 decrease year-over-year



Note: Creation cost methodology modified in Q4 2016 to normalize all costs by MW Deployed or MW Deployed under Leases or PPAs (instead of normalizing Sales & Marketing expenses by MW Booked); All prior periods reflect the new methodology. Please see the appendix for a complete summary of the changes and full glossary of terms. Numbers may not total due to rounding.

(1) All Q1 numbers labeled pro forma exclude exit costs and cancellations in Nevada.

Guidance



- Deployments of 69 MW in Q1
- Deployments of 325 MW for 2017





Net Earning Assets grew 30% Year-Over-Year

<i>(\$ in millions)</i>	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Gross Earning Assets, Contracted	\$842	\$913	\$992	\$1,108	\$1,200
Gross Earning Assets, Renewal	\$432	\$467	\$507	\$561	\$609
Total Gross Earning Assets	\$1,274	\$1,380	\$1,499	\$1,669	\$1,809
Project Level Debt ⁽¹⁾	(\$338)	(\$442)	(\$512)	(\$571)	(\$654)
Lease Pass-Through Financing Obligation	(\$157)	(\$148)	(\$144)	(\$143)	(\$144)
Net Earning Assets	\$779	\$791	\$843	\$954	\$1,011

See Appendix for glossary of terms.

Note: Numbers may not sum due to rounding

(1) Project Level Debt is presented net of substantially all debt issuance costs to conform with the adoption of a new accounting standard.

Significant Renewal Value Potential



In addition to now presenting the portion of Project Value represented by renewal period, we also provide an estimate of total post-contract value from the Operating Portfolio (i.e., cumulative systems deployed) based on **Real PPA rates and years of renewals**

Total Renewal Value of Operating Portfolio

Portfolio of deployed systems as of 12/31/16, NPV in \$millions, 6% discount rate

Real PPA Rate used upon Contract Renewal ⁽¹⁾	\$/kWh	Years									
		1	2	3	4	5	6	7	8	9	10
\$ 0.04	\$	11.5	\$ 21.0	\$ 28.1	\$ 32.9	\$ 39.3	\$ 47.3	\$ 57.2	\$ 66.8	\$ 75.9	\$ 84.5
0.06		21.9	41.3	57.9	71.9	87.2	103.6	121.8	139.3	155.9	171.8
0.08		32.2	61.6	87.7	110.9	135.0	160.0	186.4	211.7	235.9	259.1
0.10		42.5	81.8	117.5	149.9	182.9	216.3	250.9	284.1	315.9	346.4
0.12		52.8	102.1	147.3	188.9	230.7	272.7	315.5	356.5	396.0	433.7
0.14		63.2	122.3	177.1	227.9	278.6	329.1	380.0	429.0	476.0	521.0
0.16		73.5	142.6	206.9	266.9	326.4	385.4	444.6	501.4	556.0	608.3
0.18		83.8	162.8	236.7	305.9	374.3	441.8	509.1	573.8	636.0	695.7
0.20		94.1	183.1	266.6	344.9	422.1	498.2	573.7	646.3	716.0	783.0

(1) 2.5% inflation assumed

See Appendix for glossary of terms.

Note: Additional sensitivities are provided in the appendix.

Sunrun and National Grid, a Leading Global Utility, Formed A Multifaceted Strategic Partnership



\$100m Project Equity Investment

National Grid will contribute \$100 million in cash equity to a partnership to own ~200 MW of residential solar assets nationally.

Proceeds from the investment are expected to add approximately \$0.45 to \$0.55 per watt to Sunrun's typical advance rates from tax equity, back-leverage, and other upfront payments.

Sunrun estimates it will receive total upfront proceeds of approximately 95% to 100% of contracted Project Value (i.e., consistent with the contracted Project Value calculated based on a 6% unlevered discount rate) for the assets financed through this transaction.

Upside related to refinancings or stronger than expected asset performance will be shared between Sunrun and National Grid

Grid Services Pilot

National Grid and Sunrun will work together to explore options for how distributed energy resources (DERs) might be aggregated and used to help keep the energy grid balanced and optimized on a nationwide basis.

Currently, these services are typically provided by centralized generators but there is significant long-term opportunity for DERs.

Joint Marketing Agreement

Agreement leverages both companies' strong brands.

Goal is to accelerate the adoption of rooftop solar in a cost-effective, highly scalable way.

Program initially targets approximately 100,000 single family homes in downstate New York.

Program could be expanded more broadly

Our debt financing strategy minimizes risks while preserving upside opportunity



- We have financed long-term assets solely with non-recourse capital
- We use interest rate swaps to fix the risk-free rate (LIBOR) for the approximate initial term of the customer contracts, independent of any given credit facility
 - Our swaps generally fix rates for ~18 years, even when credit facilities mature in 5-7 years
- We enjoy opportunity for substantial refinance proceeds after our tax equity funds flip
 - Our existing bank loans are expected to represent less than 60% loan to contracted value when our tax equity funds flip down
 - We have already demonstrated a 76% advance rate can be achieved with a BBB credit rating
 - BBB is a strong credit rating; e.g., most U.S. utilities have BBB or BBB+ credit ratings
 - Refinancing 1 GW from ~60% to ~76% LTV provides proceeds of ~\$215 million
- We don't hedge credit spread
 - We believe spreads will continue to improve over time
 - Spreads have been declining as the asset class matures over time
 - Because we can grant lenders first liens after paying back tax equity, we should likely enjoy tighter spreads in ~6 years. Back-leverage lenders lack such customary liens
- Our tax equity pipeline remains robust, with closed transactions and executed terms sheets providing us runway into Q4 2017
- Our current committed back-leverage and project equity provides us runway into Q3 of 2017

Question & Answer



Metrics Changes

Simpler presentation of current key value drivers of our business

	PRIOR METHODOLOGY	NEW METHODOLOGY
Estimated Retained Value	Retained Value represents net cash flows (discounted at 6%) we expect to receive during both the initial 20-year term and renewal period of our customer agreements. Value excludes estimated distributions to investors in consolidated joint ventures and estimated O&M expenses for contracted systems.	<i>No longer disclosed</i>
Gross Earning Assets & Net Earning Assets	Gross earning assets represents net cash flows (discounted at 6%) we expect to receive during both the initial 20-year term and renewal period of customers agreements where the systems have been deployed. The value excludes estimated distributions to investors in consolidated joint ventures and estimated O&M expenses for contracted systems. Value excludes any customers that have been booked but not yet deployed.	<i>No changes</i>
MW Booked	Previously defined as the aggregate megawatt production capacity of our solar energy systems sold directly to customers or subject to an executed Customer Agreement, net of cancellations.	MW Booked are now calculated as sold systems or systems subject to a Customer Agreement for which we have internal confirmation a solar energy system has met our installation requirements for size, equipment and design. (which constitutes our definition of reaching notice to proceed, or NTP), net of cancellations.

Metric Changes (continued)



Simpler presentation of current key value drivers of our business

	PRIOR METHODOLOGY	NEW METHODOLOGY
Estimated Nominal Contracted Payments Remaining	The sum of the remaining cash payments that customers are expected to pay over the initial terms of their Customer Agreements (not including the value of any renewal or system purchase at the end of the initial contract term, but including estimated uncollected prepayments), for systems contracted as of the measurement date.	<i>No longer disclosed</i>

New definition of creation cost uses MW Deployed instead of bookings to calculate expensed sales & marketing costs:

Creation Cost	$\frac{\text{Expensed S\&M costs}}{\text{MW booked}} + \frac{\text{Capitalized S\&M costs}}{\text{Leased MW deployed}} + \frac{\text{Install costs}}{\text{Leased MW deployed}} + \frac{\text{G\&A costs}}{\text{Total MW deployed}}$	$\frac{\text{Expensed S\&M costs}}{\text{Total MW deployed}} + \frac{\text{Capitalized S\&M costs}}{\text{Leased MW deployed}} + \frac{\text{Install costs}}{\text{Leased MW deployed}} + \frac{\text{G\&A costs}}{\text{Total MW deployed}}$
	$\frac{\text{Platform Services Margin}}{\text{Total MW deployed}}$	$\frac{\text{Platform Services Margin}}{\text{Total MW deployed}}$

Metric Changes (continued)



Simpler presentation of current key value drivers of our business

	PRIOR METHODOLOGY	NEW METHODOLOGY
Project Value	<p>Project Value represents the value of upfront and future payments by customers, the benefits received from utility and state incentives, as well as the present value of net proceeds derived through investment funds. Specifically, project value is calculated as the sum of the following items (all measured on a per-watt basis with respect to megawatts deployed under Customer Agreements during the period): (i) gross earning assets, (ii) utility or upfront state incentives, (iii) upfront payments from customers for deposits and partial or full prepayments of amounts otherwise due under Customer Agreements and which are not already included in Gross Earning Assets and (iv) finance proceeds from tax equity investors. Project value includes contracted SRECs for all periods after July 1, 2015. Project value does not include cash true-up payments or the value of asset contributions in lieu of cash true-up payments made to investment fund investors, the cumulative impact of which is expected to be immaterial in 2016.</p>	<i>No change</i>
Renewal Portion of Project Value	<i>Previously undisclosed</i>	Presentation of PV now includes renewal value for additional disclosure of the value our systems generate.



Key Operating Metrics

	YEAR ENDED	
	December 31, 2015	December 31, 2016
MW Booked (during the period)⁽¹⁾⁽²⁾	229	285
MW Deployed (during the period)	203	282
Cumulative MW Deployed (end of period)	596	879
Gross Earning Assets under Energy Contract (end of period)(in millions)	\$842	\$1,200
Gross Earning Assets Value of Purchase or Renewal (end of period)(in millions)	\$432	\$609
Gross Earning Assets (end of period) (in millions)	\$1,274	\$1,809

	QUARTER ENDED	
	December 31, 2015	December 31, 2016
MW Booked (during the period)⁽¹⁾	82	72
MW Deployed (during the period)	68	77
Cumulative MW Deployed (end of period)	596	879
Gross Earning Assets under Energy Contract (end of period)(in millions)	\$842	\$1,200
Gross Earning Assets Value of Purchase or Renewal (end of period)(in millions)	\$432	\$609
Gross Earning Assets (end of period)(in millions)	\$1,274	\$1,809

MW Booked Methodology Comparison

	YEAR ENDED		QUARTER ENDED		YEAR ENDED	
	Dec. 31, 2015	March 31, 2016	June 30, 2016	Sept. 30, 2016	Dec. 31, 2016	Dec. 31, 2016
MW Booked (previously reported)	274	56 ⁽³⁾	74	79		
MW Booked (under new definition)⁽¹⁾	229	62 ⁽²⁾	69	83	72	285

See Appendix for glossary of terms.

Note: Numbers may not sum due to rounding.

(1) In Q4 2016, we modified how we calculate MW Booked. Prior periods reflect this modification. Please see the next slide and the Appendix for a complete summary of the changes and full glossary of terms.

(2) Excludes 6 MW of cancellations due to Nevada exit.

(3) Excludes 13 MW of cancellations due to Nevada exit

Key Operating Metrics



	QUARTER ENDED								YEAR ENDED
	March 31, 2015	June 30, 2015	Sept. 30, 2015	Dec. 31, 2015	March 31, 2016	June 30, 2016	Sept. 30, 2016	Dec. 31, 2016	Dec. 31, 2016
Project Value, contracted portion (per watt)	\$4.45	\$4.43	\$4.18	\$4.01	\$3.99	\$4.03	\$3.84	\$3.80	\$3.90
Project Value, renewal portion (per watt)	\$0.57	\$0.57	\$0.52	\$0.49	\$0.52	\$0.58	\$0.59	\$0.60	\$0.58
Total Project Value (per watt)	\$5.02	\$5.00 ⁽¹⁾	\$4.70	\$4.50	\$4.51	\$4.61	\$4.43	\$4.41	\$4.48
Creation Cost ⁽²⁾⁽³⁾ (per watt)	\$4.39	\$4.31	\$4.05	\$3.72	\$4.07 ⁽⁴⁾	\$3.75	\$3.36	\$3.41	\$3.61
Unlevered NPV (per watt)	\$0.63	\$0.69	\$0.65	\$0.78	\$0.44 ⁽⁴⁾	\$0.86	\$1.07	\$1.00	\$0.87
NPV (in millions)	\$22	\$28	\$34	\$46	\$23 ⁽⁴⁾	\$47	\$76	\$67	\$213

Note: Numbers may not sum due to rounding. Creation cost redefined based on new methodology.

(1) Excludes materially all SREC value.

(2) Excludes initial direct costs (IDCs) paid prior to deployments and excludes non-cash items such as amortization of intangible assets and stock-based compensation, and contingent consideration related to an acquisition we completed in Q2 2015.

(3) Creation cost methodology modified in Q4 2016 to divide all costs, including Sales & Marketing expenses, by MW Deployed or MW Deployed under Leases or PPAs (instead of dividing Sales & Marketing expenses by MW Booked); prior periods reflect the new methodology. Please see Appendix for a complete summary of the changes and full glossary of terms. Numbers may not total due to rounding.

(4) Pro forma creation cost excluding one-time items related to Nevada exit.

Key Operating Metrics

(as previously reported)



	QUARTER ENDED						
	March 31, 2015	June 30, 2015	Sept. 30, 2015	Dec. 31, 2015	March 31, 2016	June 30, 2016	Sept. 30, 2016
Creation Cost ⁽¹⁾⁽²⁾ (per watt)	\$4.36	\$4.08	\$3.75	\$3.64	\$4.11 ⁽³⁾	\$3.67	\$3.37
Unlevered NPV (per watt)	\$0.66	\$0.92	\$0.95	\$0.86	\$0.40 ⁽³⁾	\$0.94	\$1.06
NPV (in millions)	\$23	\$37	\$50	\$50	\$21 ⁽³⁾	\$51	\$76

Note: Numbers may not sum due to rounding. Creation cost redefined based on new methodology.

(1) Excludes initial direct costs (IDCs) paid prior to deployments and excludes non-cash items such as amortization of intangible assets and stock-based compensation, and contingent consideration related to an acquisition we completed in Q2 2015.

(2) Creation costs under methodology used previously as disclosed in the supplemental cost memos posted on the Investor Website.

(3) Pro forma creation cost excluding one-time items related to Nevada exit.



Gross Earning Assets - Sensitivities

Gross Earning Assets under Energy Contracts (\$ in millions)

As of December 31, 2016					
<u>Default rate</u>	Discount rate				
	4%	5%	6%	7%	8%
5%	\$1,384	\$1,270	\$1,170	\$1,080	\$1,001
0%	\$1,421	\$1,304	\$1,200	\$1,108	\$1,026
<i>Percent of PV6%</i>	<i>118%</i>	<i>109%</i>	<i>100%</i>	<i>92%</i>	<i>86%</i>

Gross Earning Assets Value of Purchase or Renewal (\$ in millions)

As of December 31, 2016					
<u>Purchase or Renewal rate</u>	Discount rate				
	4%	5%	6%	7%	8%
80%	\$811	\$655	\$531	\$432	\$352
90%	\$930	\$751	\$609	\$495	\$404
100%	\$1,049	\$848	\$687	\$559	\$456

Total Gross Earning Assets (\$ in millions)

As of December 31, 2016					
<u>Purchase or Renewal rate</u>	Discount rate				
	4%	5%	6%	7%	8%
80%	\$2,233	\$1,959	\$1,731	\$1,540	\$1,378
90%	\$2,351	\$2,055	\$1,809	\$1,603	\$1,430
100%	\$2,470	\$2,151	\$1,887	\$1,666	\$1,489

Note: See Appendix for glossary of terms.

Additional Renewal Value Sensitivities



Renewal Value of Operating Portfolio as of 12/31/16 using Real PPA Rates⁽¹⁾ & Years of Renewal

Total Renewal Value of Operating Portfolio as of 12/31/16 (\$ in millions) (5% discount rate)

\$/kWh	Years									
	1	2	3	4	5	6	7	8	9	10
\$ 0.04	\$ 13.7	\$ 25.2	\$ 33.7	\$ 39.6	\$ 47.6	\$ 57.5	\$ 70.1	\$ 82.2	\$ 93.9	\$ 105.1
0.06	26.0	49.4	69.5	86.6	105.5	126.1	149.0	171.2	192.6	213.2
0.08	38.3	73.6	105.3	133.7	163.5	194.7	227.9	260.1	291.2	321.3
0.10	50.6	97.8	141.1	180.7	221.5	263.3	306.8	349.0	389.9	429.4
0.12	62.9	122.0	176.9	227.8	279.5	331.9	385.7	437.9	488.5	537.5
0.14	75.1	146.2	212.7	274.8	337.5	400.5	464.6	526.9	587.2	645.6
0.16	87.4	170.4	248.5	321.9	395.4	469.1	543.5	615.8	685.8	753.7
0.18	99.7	194.6	284.2	368.9	453.4	537.7	622.4	704.7	784.5	861.8
0.20	112.0	218.8	320.0	416.0	511.4	606.3	701.3	793.6	883.1	969.9

Total Renewal Value of Operating Portfolio as of 12/31/16 (\$ in millions) (6% discount rate)

\$/kWh	Years									
	1	2	3	4	5	6	7	8	9	10
\$ 0.04	\$ 11.5	\$ 21.0	\$ 28.1	\$ 32.9	\$ 39.3	\$ 47.3	\$ 57.2	\$ 66.8	\$ 75.9	\$ 84.5
0.06	21.9	41.3	57.9	71.9	87.2	103.6	121.8	139.3	155.9	171.8
0.08	32.2	61.6	87.7	110.9	135.0	160.0	186.4	211.7	235.9	259.1
0.10	42.5	81.8	117.5	149.9	182.9	216.3	250.9	284.1	315.9	346.4
0.12	52.8	102.1	147.3	188.9	230.7	272.7	315.5	356.5	396.0	433.7
0.14	63.2	122.3	177.1	227.9	278.6	329.1	380.0	429.0	476.0	521.0
0.16	73.5	142.6	206.9	266.9	326.4	385.4	444.6	501.4	556.0	608.3
0.18	83.8	162.8	236.7	305.9	374.3	441.8	509.1	573.8	636.0	695.7
0.20	94.1	183.1	266.6	344.9	422.1	498.2	573.7	646.3	716.0	783.0

Total Renewal Value of Operating Portfolio as of 12/31/16 (\$ in millions) (7% discount rate)

\$/kWh	Years									
	1	2	3	4	5	6	7	8	9	10
\$ 0.04	\$ 9.7	\$ 17.6	\$ 23.4	\$ 27.4	\$ 32.6	\$ 38.9	\$ 46.9	\$ 54.4	\$ 61.5	\$ 68.2
0.06	18.4	34.6	48.3	59.8	72.2	85.4	99.8	113.6	126.6	138.9
0.08	27.1	51.6	73.2	92.2	111.7	131.8	152.8	172.8	191.7	209.7
0.10	35.8	68.6	98.1	124.6	151.3	178.2	205.7	231.9	256.8	280.4
0.12	44.5	85.6	122.9	157.0	190.9	224.6	258.7	291.1	321.9	351.1
0.14	53.2	102.5	147.8	189.4	230.5	271.1	311.6	350.2	386.9	421.8
0.16	61.9	119.5	172.7	221.8	270.1	317.5	364.6	409.4	452.0	492.5
0.18	70.6	136.5	197.6	254.2	309.7	363.9	417.5	468.5	517.1	563.3
0.20	79.3	153.5	222.5	286.6	349.3	410.3	470.4	527.7	582.2	634.0

(1) 2.5% inflation assumed

Glossary



Creation Cost includes (i) certain installation and general and administrative costs after subtracting the gross margin on solar energy systems and product sales divided by watts deployed during the measurement period and (ii) certain sales and marketing expenses under new Customer Agreements, net of cancellations during the period divided by the related watts deployed.

Customers refers to all residential homeowners (i) who have executed a Customer Agreement or cash sales agreement with us and (ii) for whom we have internal confirmation that the applicable solar energy system has reached notice to proceed or “NTP”, net of cancellations.

Customer Agreements refers to, collectively, solar power purchase agreements and solar leases.

Gross Earning Assets the net cash flows (discounted at 6%) we expect to receive during the initial 20-year term of our Customer Agreements for systems that have been deployed as of the measurement date, plus a discounted estimate of the value of the Customer Agreement renewal term or solar system purchase at the end of the initial term. Gross Earning Assets excludes estimated cash distributions to investors in consolidated joint ventures and estimated operating, maintenance and administrative expenses for systems deployed as of the measurement date. In calculating Gross Earning Assets, we do not deduct customer payments we are obligated to pass through to investors in lease pass-throughs as these amounts are reflected on our balance sheet as long-term and short-term lease pass-through obligations, similar to the way that debt obligations are presented. In determining our finance strategy, we use lease pass-throughs and long-term debt in an equivalent fashion as the schedule of payments of distributions to lease pass-through investors is more similar to the payment of interest to lenders that the internal rates of return (IRRs) paid to investors in other tax equity structures.

Gross Earning Assets Under Energy Contract represents the net cash flows during the initial (typically 20 year) term of our Customer Agreements (less substantially all value from SRECs prior to July 1, 2015), for systems deployed as of the measurement date.

Gross Earning Assets Value of Purchase or Renewal is the forecasted net

present value we would receive upon or following the expiration of the initial Customer Agreement term (either in the form of cash payments during any applicable renewal period or a system purchase at the end of the initial term), for systems deployed as of the measurement date.

MW Booked represents the aggregate megawatt production capacity of our solar energy systems, whether sold directly to customers or subject to an executed Customer Agreement, for which we have confirmation that the systems have reached NTP, net of cancellations.

MW Deployed represents the aggregate megawatt production capacity of our solar energy systems, whether sold directly to customers or subject to executed Customer Agreements, for which we have (i) confirmation that the systems are installed on the roof, subject to final inspection or (ii) in the case of certain system installations by our partners, accrued at least 80% of the expected project cost.

Net Earning Assets represents Gross Earning Assets less both project level debt and Lease Pass-Through Financing Obligation, as of the same measurement date.

NPV equals Unlevered NPV multiplied by leased megawatts deployed in period.

NTP or Notice to Proceed refers to our internal confirmation that a solar energy system has met our installation requirements for size, equipment and design.

Proceeds equals the sum of proceeds from non-recourse debt, proceeds from lease pass-through financing obligations, contributions received from redeemable and non-redeemable noncontrolling interests, proceeds from state tax credits, and estimated customer upfront payments and utility rebates. Estimated customer upfront payments and utility rebates is estimated by averaging the beginning period deferred revenue (current portion) and end period deferred revenue (current portion) divided by the portion of the year being analyzed.

Glossary



Project Value represents the value of upfront and future payments by customers, the benefits received from utility and state incentives, as well as the present value of net proceeds derived through investment funds. Specifically, project value is calculated as the sum of the following items (all measured on a per-watt basis with respect to megawatts deployed under Customer Agreements during the period): (i) gross earning assets, (ii) utility or upfront state incentives, (iii) upfront payments from customers for deposits and partial or full prepayments of amounts otherwise due under Customer Agreements and which are not already included in Gross Earning Assets and (iv) finance proceeds from tax equity investors. Project value includes contracted SRECs for all periods after July 1, 2015. Project value does not include cash true-up payments or the value of asset contributions in lieu of cash true-up payments made to investment fund investors, the cumulative impact of which is expected to be immaterial in 2016.

Unlevered NPV equals the difference between project value and estimated creation cost on a per watt basis.

