May 31, 2019

Sunrun Prices Securitization of Residential Solar Systems

Project financing highlights higher advance rates and lower cost of capital for seasoned residential solar assets

SAN FRANCISCO, May 31, 2019 (GLOBE NEWSWIRE) -- Sunrun (Nasdaq: RUN), the nation's leading residential solar, battery storage and energy services company, today announced it has priced its third securitization of leases and power purchase agreements, known as Sunrun's solar-as-a-service offering. The securitized leases and power purchase agreements have been in service for an average of over six years and are no longer subject to tax equity financings.

"We are pleased to continue to expand the set of investors in residential solar assets to enable Sunrun to bring affordable solar energy to more households," said Edward Fenster, Sunrun's co-founder and executive chairman. "This represents the industry's first such transaction involving substantially seasoned assets and highlights continued strong asset performance and the benefits of refinancing assets that are no longer encumbered by tax equity structures. The transaction situates Sunrun well to continue to generate cash and accelerate our pace of solar installations."

The securitization was rated A- with a principal amount of $204 million, a weighted average life of 6.6 years and final maturity of June 30, 2054. The notes can be called by Sunrun without any call premium beginning June 30, 2025.

The notes are backed by a diverse portfolio of 14,377 solar rooftop systems distributed across 48 utility service territories. The notes initial balance represents an 80.3% advance rate relative to the aggregate discounted solar asset balance. The notes were priced at a 4.00% yield. The interest rate reflects a spread of 200 basis points over the benchmark swap rate at the time. The advance rate is nearly 10 percentage points higher than the senior tranche in Sunrun's prior securitization and represents the highest advance rate for any similarly rated tranche in a solar lease and PPA transaction to date, while the yield of 4.00% is the lowest yield for any solar lease and PPA transaction to date. The transaction is expected to close by June 6, 2019.

Credit Suisse was the sole structuring agent and sole bookrunner for the securitization with KeyBanc Capital Markets as a co-manager.

This press release does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

About Sunrun

Sunrun (Nasdaq:RUN) is the nation's leading residential solar, storage and energy services company. With a mission to create a planet run by the sun, Sunrun has led the industry since 2007 with its solar-as-a-service model, which provides clean energy to households with little to no upfront cost and at a saving compared to traditional electricity. The company designs, installs, finances, insures, monitors and maintains the systems, while families receive predictable pricing for 20 years or more. The company also offers a home solar battery service, SunrunBrightbox, that manages household solar energy, storage and utility power. For more information, please visit: www.sunrun.com.

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Source: Sunrun Inc.