April 10, 2024

Sunrun Prices $230 million Senior Securitization of Residential Solar & Battery Systems

SAN FRANCISCO, April 10, 2024 (GLOBE NEWSWIRE) -- Sunrun (Nasdaq: RUN), the nation's leading provider of clean energy as a subscription service, today announced it has priced a securitization of leases and power purchase agreements. The securitized leases and power purchase agreements have been in service for an average of 6.75 years, and thus the vast majority of the portfolio is after the 'flip point' in tax equity structures.

"Sunrun's industry-leading performance as an originator and servicer of residential solar assets continues to provide deep access to attractively priced capital," **said Danny Abajian, Sunrun's Chief Financial Officer.** "The latest ABS transaction was priced at a credit spread of 195 basis points, a 37.5 basis point improvement from Sunrun's most recent privately placed senior securitization in February and 45 basis points lower than Sunrun's securitization in September 2023. The latest execution represents the lowest spread achieved for similarly rated transactions across the sector since 2021, a testament to Sunrun's strong track record."

The securitization was issued with a single class of notes that are A rated by Kroll with a principal amount of $230 million, a weighted average life of 7 years and final maturity of February 1, 2055. As the portfolio has a remaining contractual life of 13.25 years and the vast majority of the portfolio has already reached the tax equity fund 'flip point', the structure was issued without an Anticipated Repayment Date (ARD) and instead fully amortizes over the contractual life at a fixed interest rate. The initial balance of the notes represents an approximate 85% advance rate on Securitization Share of ADSAB (present value using a 7.5% discount rate). The advance rate is 7 percentage points higher than the senior tranche in Sunrun's prior securitization of more recently originated assets. The notes were priced at a 6.27% coupon and represented a 6.328% yield. The coupon rate reflects a spread of 195 basis points over the benchmark swap rate at the time.

The notes are backed by a diversified portfolio of 27,094 solar rooftop systems distributed across 19 states and Washington D.C. and 65 utility service territories. The weighted average customer FICO score is 739. The transaction is expected to close by April 17, 2024. The portfolio is jointly owned by National Grid (NG) and Sunrun, with NG receiving the majority of cash flows through 2042.

Bank of America was the sole structuring agent and served as joint bookrunner along with Truist and KeyBanc.

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.

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About Sunrun

Sunrun Inc. (Nasdaq: RUN) revolutionized the solar industry in 2007 by removing financial barriers and democratizing access to locally-generated, renewable energy. Today, Sunrun is the nation's leading provider of clean energy as a subscription service, offering residential solar and storage with no upfront costs. Sunrun's innovative products and solutions can connect homes to the cleanest energy on earth, providing them with energy security, predictability, and peace of mind. Sunrun also manages energy services that benefit communities, utilities, and the electric grid while enhancing customer value. Discover more at www.sunrun.com.

Source: Sunrun Inc.