



Statement Regarding Costco Sales Partnership

Statement issued September 18, 2024

Sunrun, the nation's leading provider of clean energy as a subscription service, today announced that the company and Costco have mutually agreed to terminate its sales partnership. Sunrun will wind down its lead generation activities in Costco warehouses, with the current expectation of exiting its warehouse presence no later than December 31, 2024.

Sunrun's clean energy subscription model, which is the company's focus and provides customers the most value, provides less upfront revenue recognition under GAAP for Costco and thus, in the opinion of Sunrun, was not fully aligned with Costco's financial objectives. Solar systems financed by third-party loans, or paid for in cash upfront, provide higher GAAP revenue treatment for Costco.

Consistent with Sunrun's strategy to focus on sustainable, profitable growth, and continuous evaluation of profitability by route, Sunrun and Costco were not able to reach mutually agreeable terms that would warrant continuation of the partnership long-term. Members who signed up through Sunrun representatives at Costco have enjoyed exclusive benefits including advantaged product pricing. Sunrun also realized lower battery attachment rates compared to other routes to market.

Costco currently represents less than 10% of Sunrun's total volumes in the first half of 2024. Sunrun will be repositioning a significant portion of sales staff in regions currently located in Costco stores to other retail partners and sales channels over time, including an expansion to Sunrun's footprint across Lowe's stores.

Sunrun does not expect these changes to have a material impact on the volume and Cash Generation projections previously shared in the second quarter 2024 earnings release.

Costco has been a great partner for over a decade, and we appreciate all that we've accomplished together. We are profoundly thankful to all Sunrun employees who helped make the Costco partnership a success over the years, especially our sales professionals who helped connect tens of thousands of loyal Costco members to solar energy.

Sunrun will continue to support all Costco members who signed up for Sunrun solar through Costco and will honor all commitments and warranties.

Forward Looking Statements

This communication contains forward-looking statements related to Sunrun (the "Company") within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements related to: the Company's financial and operating performance and expectations; the Company's business plan, trajectory, expectations, market leadership, competitive advantages, operational and financial results and metrics (and the assumptions related to the calculation of such metrics), including our plans related to future routes to market. These statements are not guarantees of future performance; they reflect the Company's current views with respect to future events and are based on assumptions and estimates and are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements. The risks and uncertainties that could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements include: the Company's continued ability to manage costs and compete effectively; the Company's ability to attract and retain the Company's business partners; supply chain risks and associated costs; realizing the anticipated benefits of past or future investments, partnerships, strategic transactions, or acquisitions, and integrating those acquisitions; the availability of rebates, tax credits and other incentives; the availability of solar panels, batteries, and other components and raw materials; the Company's business plan and the Company's ability to effectively manage the Company's growth and labor constraints; and such other risks and uncertainties identified in the reports that we file with the U.S. Securities and Exchange Commission from time to time. All forward-looking statements used herein 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.