



2016 Q1 REVIEW

May 12, 2016

Creating a planet run by the sun

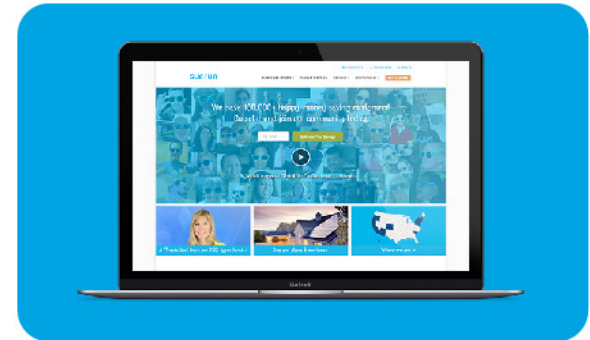
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This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which statements involve substantial risks and uncertainties. Forward-looking statements in this presentation include, but are not limited to, statements related to financial and operating guidance and expectations for our second quarter and full year 2016, momentum in our business and our business strategies, expectations regarding customers, cost reduction, project value, MW booked, MW deployed, product mix 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 including in products, services, sales and facilities as well as expectations for our growth, the growth of the industry, macroeconomic trends and the legislative and regulatory environment of the industry.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions. The risks and uncertainties that could cause our results to differ materially and adversely from those expressed or implied by such forward-looking statements include: 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.

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. 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.

It takes a great brand to get invited home to meet the family



Since 2013, through 65 public policy decisions, ~95% have been favorable for residential solar ⁽¹⁾

Congress extended the Federal Investment Tax Credit for 5 years.

Public support for favorable solar policy continues to grow.

- 82% of recent poll respondents believe that solar customers should be compensated at or above retail for the kilowatt-hours their systems produce.⁽²⁾

The regulatory framework of the future is emerging in leading states.

- California uncapped net metering.
- Massachusetts maintained uncapped net metering for systems ≤ 10 kW and extended SREC II program.
- New York REV is exploring customer-focused solutions that integrate distributed energy resources on the grid and promote clean energy innovation.
- Hawaii committed to 100% renewable energy and policy framework supports distributed solar + storage.



(1) Includes all known state and federal legislative outcomes, and all known regulatory decisions impacting Investor Owned Utilities, plus SRP and LADWP.

(2) Source: E Source. Net Metering Wars: What Do Customers Think? 2016

Sunrun's strategy drives durable competitive advantage

Customer Value	Drive NPV	Platform Leverage	Low Risk, Non-Recourse Capital Structure
<ul style="list-style-type: none">• High quality sales, installation and service experience• Strong, durable value proposition• Solar as a service offers access to clean energy with little to no upfront cost and at savings to utility electricity rates• Dedicated residential focus	<ul style="list-style-type: none">• Market-by-market strategy to drive margin – not just lowest cost• Weighting towards high revenue markets• Smart customer targeting for more attractive solar homes	<ul style="list-style-type: none">• Low fixed cost way to reach incremental customers• Preferred partner for strategics to participate in the residential solar market• Unique advantage from monetizing platform services	<ul style="list-style-type: none">• Debt and tax equity runway into 2017⁽¹⁾, attractive advance rates and low capital costs• No recourse debt outside working capital line, due 2018

(1) Includes executed tax equity term sheets.

We target homes and markets for value and margin

- Fixed investment targeted to markets with strong project value
- Pricing customized to home characteristics and value
- Channel distribution reaches less competitive customer set

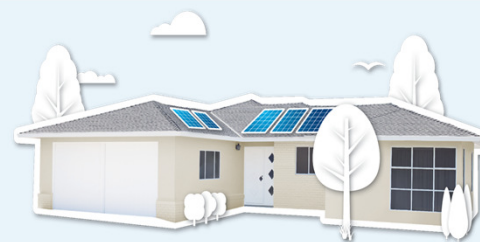
Attractive home in higher PV market



- + Higher utility rates
- + High solar irradiation, south-facing roof
- + Continuous roof surface, single array
- + Higher energy consumption

Higher project value & NPV potential

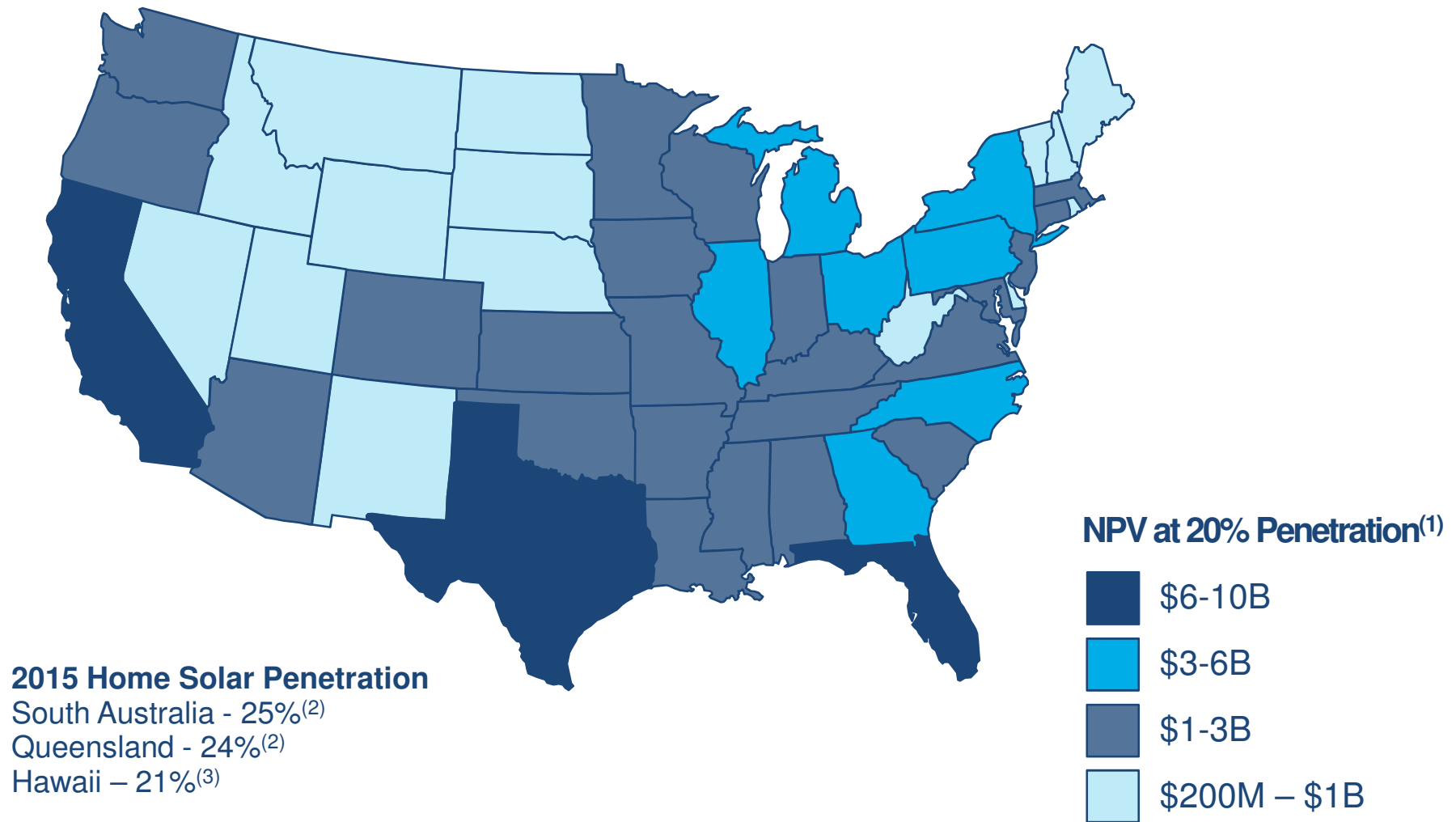
Less attractive home in lower PV market



- Lower utility rates
- Shading, north-facing roof
- Smaller roof area, multiple arrays
- Lower energy consumption

Modest project value & NPV potential

20% penetration across U.S. yields >\$100B in NPV



(1) Data Sources: US Census 2014 American Community Survey, GTM, U.S. Solar Market Insight: 2015 Year in Review.

Assumes penetration of single family detached homes, average system size of 6.5 kW, NPV of \$1/watt.

(2) "Renewable Energy in Australia How do we really compare?" 2015.

(3) US Census 2014 American Community Survey, GTM U.S. Solar Market Insight: 2015 Year in Review

Commercialization of storage and energy management allows Sunrun to expand in-home offering

BrightBox solar + storage

Solar PV and Lithium-Ion Battery

- BrightBox can store power and dispatch it when it has the highest value
- Compelling economics for customer and Sunrun

Rapid Cost Improvements

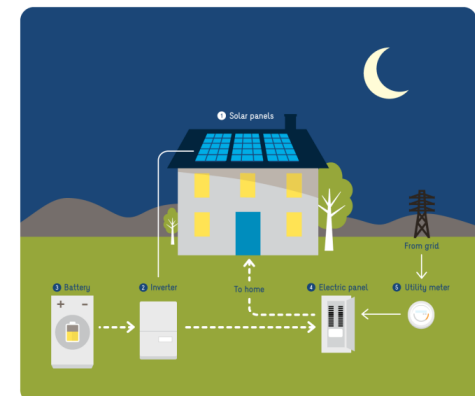
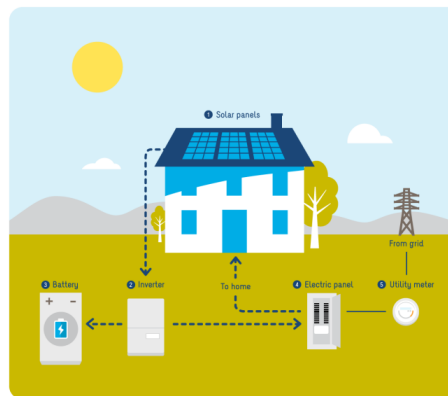
50% cost reduction in the past year, expect continued strong year-on-year declines

New product for customer base

- Expanding offering for existing and future customers

Leverage distribution capacity

- Sunrun's distribution business has already delivered 5,000+ battery based systems



Sunrun delivered strong year-over-year growth in Q1 2016

**56 MW Pro Forma
Booked⁽¹⁾**

46% year-over-year
organic growth

60 MW Deployed

63% year-over-year growth

**656 Cumulative MW
Deployed**

53% increase year-over year
2nd largest residential fleet

**\$4.51 Project Value
Per Watt**

Compared to \$4.50 in Q4 2015

**\$4.11 Pro Forma
Creation Cost
Per Watt⁽¹⁾**

\$0.25 or **6%** decrease from Q1 2015

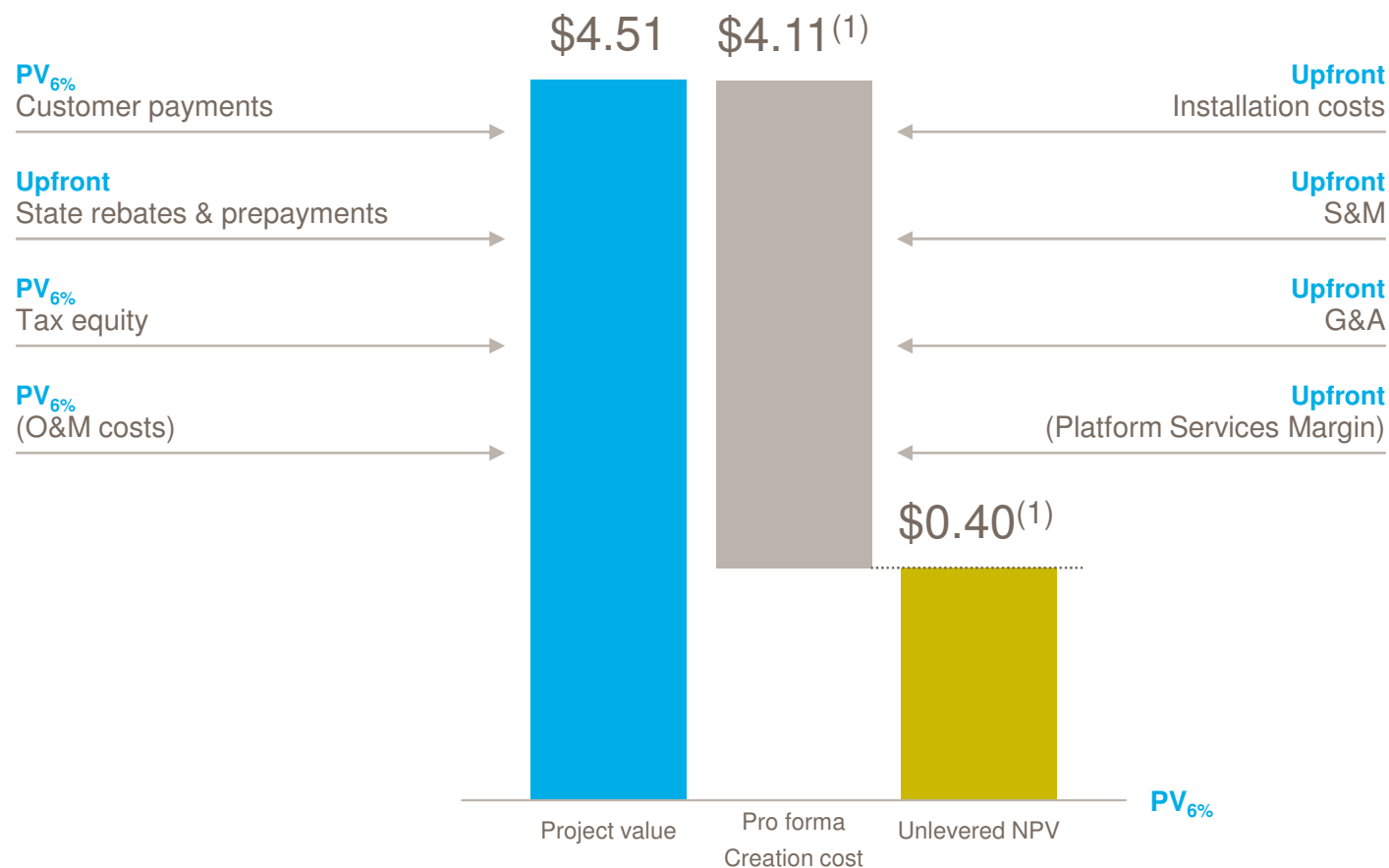
**\$21M Pro Forma NPV
Generated⁽¹⁾**

Roughly flat with Q1 2015

See appendix for glossary of terms.

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

We generated unlevered NPV of \$0.40 per watt in Q1

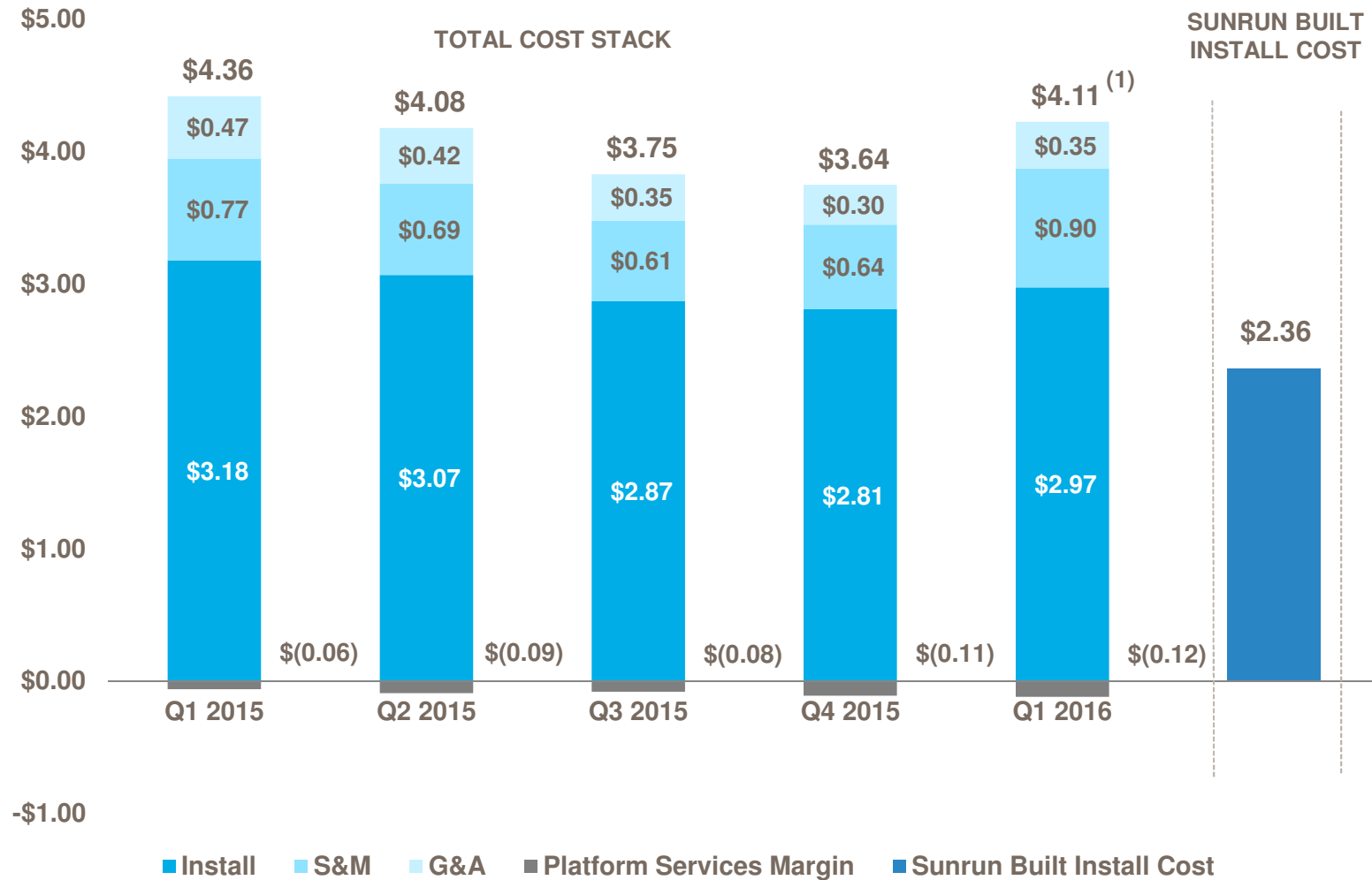


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(1) All Q1 numbers labeled pro forma exclude exit costs and cancellations in Nevada.

We are focused on continued cost reductions

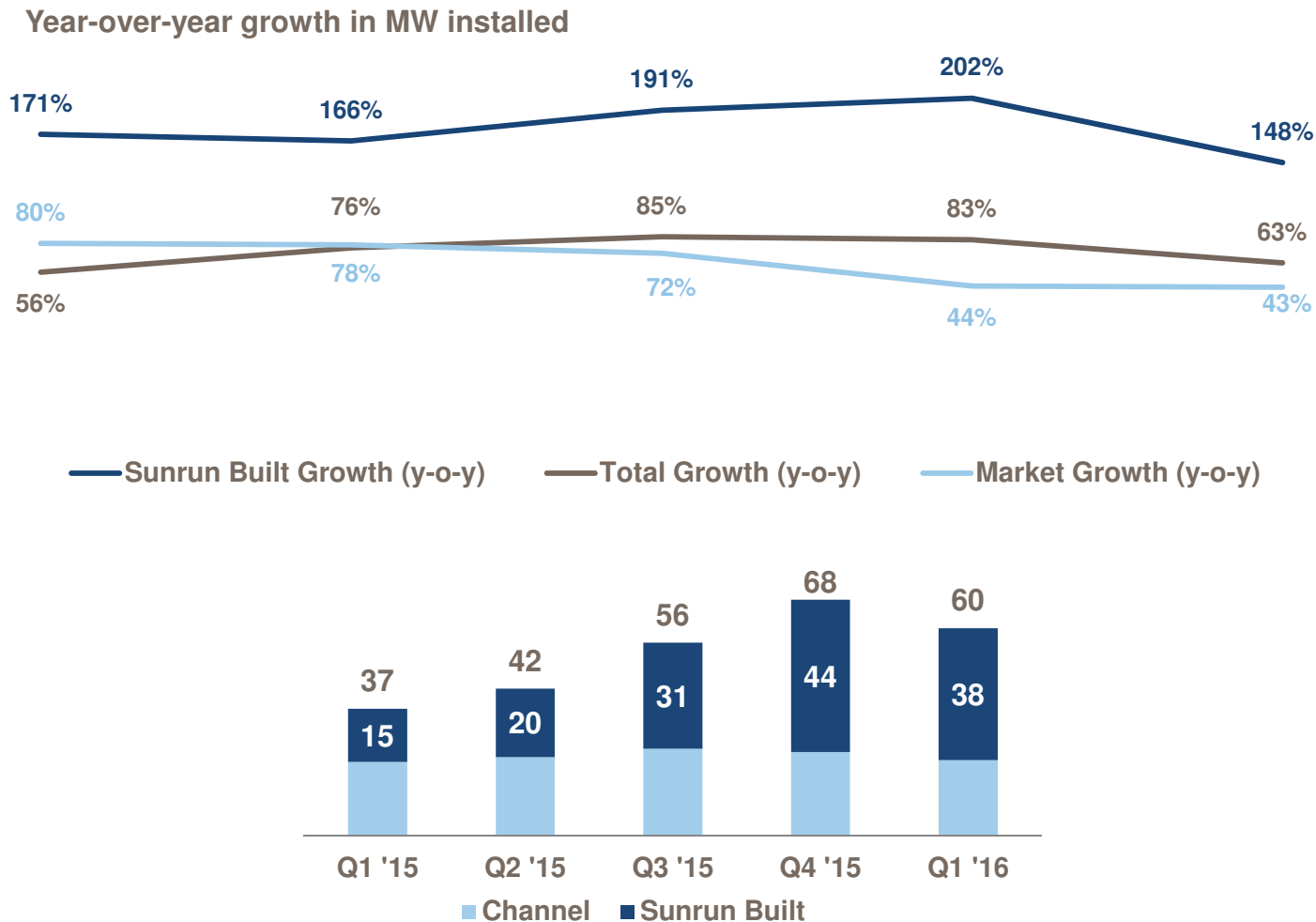
Sunrun built install cost at \$2.36/ watt



See appendix for glossary of terms.

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

The growth rate of Sunrun built systems is 2x the industry⁽¹⁾ and now the majority of our business

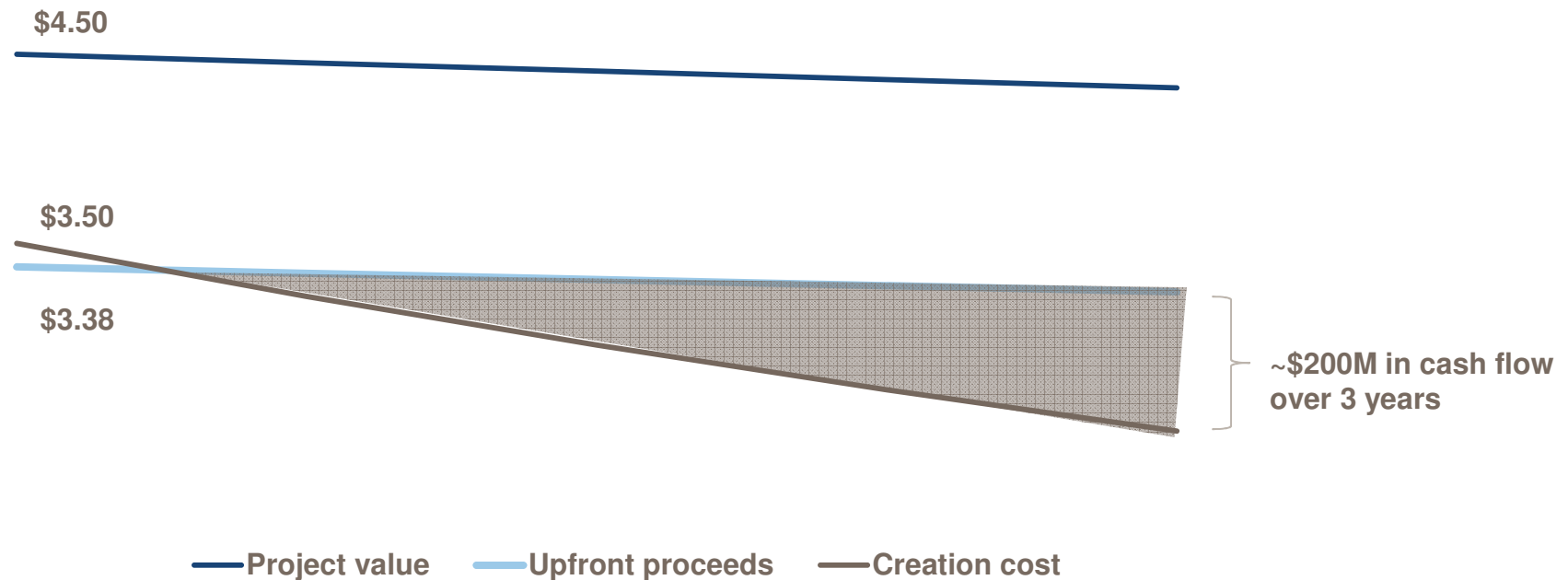


See appendix for glossary of terms

Note: Year-over-year total growth rate excludes 14.7 MW associated with purchase of an asset portfolio in 2014

(1) GTM U.S. Solar Market Insight: 2015 Year in Review. Q1 2016 market installations estimated using estimated 34% annual growth rate..

Given scale, modest margin expansion can generate significant free cash flow



Assuming 1% decline in project value, 8% decline in creation cost and industry growth rates of 34% annually,⁽¹⁾ the development company would generate **~\$200mm over three years** with existing finance structure.⁽²⁾

See appendix for glossary of terms.

(1) GTM U.S. Solar Market Insight: 2015 Year in Review.

(2) Assumes 300MW deployed in first year.

Sunrun is growing net earning assets by approximately 60% year-over-year to an already sizeable base

(\$ in millions)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Gross Earning Assets ⁽¹⁾	\$881	\$962	\$1,078	\$1,274	\$1,380
Project Level Debt	(\$191)	(\$198)	(\$336)	(\$343)	(\$442)
Pro Forma Debt Adjustment ⁽²⁾	-	-	-	(\$67)	-
Lease Pass-Through Financing Obligation	(\$189)	(\$202)	(\$127)	(\$157)	(\$148)
Net Earning Assets	\$501	\$562	\$615	\$707	\$791

(1) Gross earning assets represents estimated retained value less (i) projects not yet sold to tax equity funds (ii) estimated distributions to investors in consolidated joint ventures and (iii) estimated O&M expenses.

(2) Sunrun typically draws debt at quarter end; however, the December debt draw for Q4 2015 occurred in early January 2016.

Combining Sunrun's 2016 realized cost of debt and a 10% cost of project equity results in a 6% retained value discount rate

- Sunrun's default strategy is to borrow against recurring cash flows on a non-recourse basis and to retain the balance of cash flows as equity upside. In 2016, we expect to monetize about 75% of Project Value upfront.
- Given the 4.5%⁽¹⁾ cost of debt Sunrun secured in January 2016, and assuming a 70% advance rate, a retained value discount rate of 6% implies the discounting of contracted equity cash flows at about 10%.
 - In Q1 2016, Sunrun completed a levered tax equity transaction that monetizes 100% of contracted cash flows plus two years of renewals. The capital is comprised of debt at 3.5% and equity at approximately 8.8% and total proceeds were sized to an unlevered 6.9% discount rate.

	Cost	% of Capital	Total
Project-level debt ⁽¹⁾	4.5%	70.0%	3.1%
Project-level equity	<u>9.6%</u>	30.0%	<u>2.9%</u>
Capital			6.0%

Net RV Discount Rate Sensitivity	
Cost of Equity	Unlevered Discount Rate
8.0%	5.5%
10.0%	6.1%
12.0%	6.7%

Note: Analysis considers only contracted portion of customer cash flows.

(1) Weighted average between A and B tranches. Assumes credit facility was swapped given current market swap rates on May 11, 2016.

Guidance

Guidance

- Deployments of ~60 MW in Q2
- Deployments of ~285 MW in 2016
- NPV > \$1 per watt in second half 2016



Question & answer



APPENDIX: Key Operating Metrics

	Three months ended	
	March 31, 2015	March 31, 2016
MW Booked (during the period)	38	56 ⁽¹⁾
MW Deployed (during the period)	37	60
Cumulative MW Deployed (end of period)	430	656
Estimated Nominal Contracted Payments Remaining (in millions)	\$1,713	\$2,633
Estimated retained value under energy contract (in millions)	\$711	\$1,115
Estimated retained value of purchase or renewal (in millions)	\$377	\$518
Estimated Retained Value (in millions)	\$1,087	\$1,633
Estimated retained value per watt	\$2.41	\$2.36

(1) Pro forma bookings excluding cancellations in Nevada.

APPENDIX: Key Operating Metrics

	Three Months Ended				
	March 31, 2015	June 30, 2015	Sept. 30, 2015	Dec. 31, 2015	March 31, 2016
Project Value (per watt)	\$5.02	\$5.00 ⁽¹⁾	\$4.70	\$4.50	\$4.51
Creation Cost ⁽²⁾ (per watt)	\$4.36	\$4.08	\$3.75	\$3.64	\$4.11 ⁽³⁾
Unlevered NPV (per watt)	\$0.66	\$0.92	\$0.95	\$0.86	\$0.40 ⁽³⁾
NPV (in millions)	\$23	\$37	\$50	\$50	\$21 ⁽³⁾

(1) Excludes materially all SREC value.

(2) Excludes IDC costs 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

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

\$1.6B in estimated retained value and \$1.1B in net retained value

Gross Estimated Retained Value (6%) as of March 31, 2016

\$1,633

\$2.36
per watt

- Long-term debt (non-recourse)

(\$442)

- Long-term debt (recourse)

(\$191)

- Lease pass-through financing

(\$148)

+ Cash and cash equivalents

\$224

Net Retained Value

\$1,076

Note: Non-recourse debt includes solar ABS and line of credit.
See appendix for glossary of terms.

APPENDIX: 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 and (ii) certain sales and marketing expenses under new customer agreements, net of cancellations during the period divided by the related watts booked.

Customers refers to residential customers with solar energy systems that are installed or under contract to install, net of cancellations.

Estimated Nominal Contracted Payments Remaining equals the sum of the remaining cash payments that customers are expected to pay over the initial terms of their agreements (not including the value of any renewal or system purchase at the end of the initial agreement term), including estimated uncollected prepayments, for systems contracted as of the measurement date.

Estimated Retained Value represents the cash flows (discounted at 6%) we expect to receive pursuant to customer agreements during the initial agreement term, excluding substantially all value from solar renewable energy credits ("SRECs") prior to July 1, 2015. It also includes a discounted estimate of the value of the purchase or renewal of the agreement at the end of the initial term. Estimated retained value excludes estimated distributions to investors in consolidated joint ventures and estimated operating, maintenance and administrative expenses for systems contracted as of the measurement date. We do not deduct amounts we are obligated to pass through to investors in lease pass-throughs. Estimated retained value under energy contract represents the net cash flows during the initial 20-year term of our customer agreements. Estimated retained value of purchase or renewal is the forecasted net present value we would receive upon or following the expiration of the initial contract term.

MW Booked represents the aggregate megawatt production capacity of our solar energy systems sold to customers or subject to an executed customer agreement, net of cancellations.

MW Deployed represents the aggregate megawatt production capacity of our solar energy systems, whether sold directly to customers or subject to 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.

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. 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) estimated retained value, (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 estimated retained value and (iv) finance proceeds from tax equity investors. Project value includes contracted SRECS. 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 2015.

Sunrun Direct Business refers to solar service offerings installed by Sunrun.

Unlevered NPV equals the difference between project value and estimated creation costs.

SUNRUN®