



Create a planet run by the sun.

Q3 Financial Results - November 10, 2016

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 customers, cost reductions, 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 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.

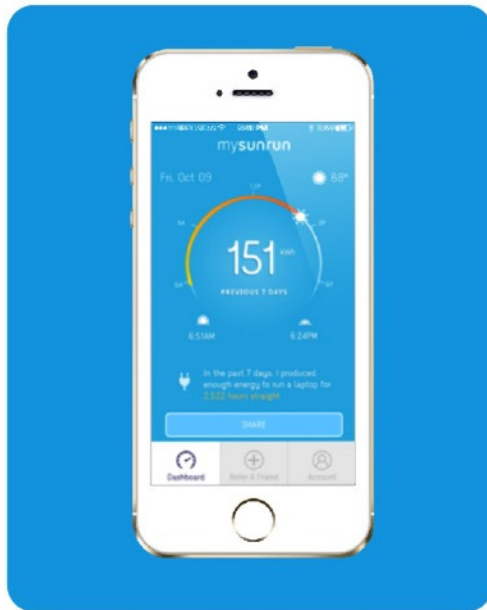
All forward-looking statements in this presentation are based on information available to us as of the date hereof, and we assume no obligation to update publicly these forward-looking statements for any reason, except as required by law.

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



We Beat Targets on Installations, NPV and Cost Improvements

79 MW Booked

Up 5 MW from Q2 2016

80 MW
Deployed

43% increase from Q3 2015

801 Cumulative
MW Deployed

52% increase from Q3 2015
2nd largest residential fleet

\$4.43 Project
Value Per Watt

6% decrease from Q3 2015

\$3.37 Creation
Cost Per Watt

\$0.38 or **10%** improvement
from Q3 2015

\$76M NPV
Generated

53% increase from Q3 2015

Sunrun's Strategy Drives Durable Competitive Advantage



Customer Value

- High quality sales, installation and service experience
- Strong, durable value proposition
- Continuous technology and service innovation to offer best-in-class customer service
- Dedicated residential focus

NPV Creation

- Market-by-market strategy to drive margin – not just lowest cost
- Weighting towards high revenue markets
- Smart customer targeting for more attractive solar homes

Platform Leverage

- 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

Low Risk, Non-Recourse Capital Structure

- Project finance runway through ~Q2 2017⁽¹⁾, attractive advance rates and low capital costs
- No recourse debt, outside working capital line due 2018

(1) Includes executed term sheets.

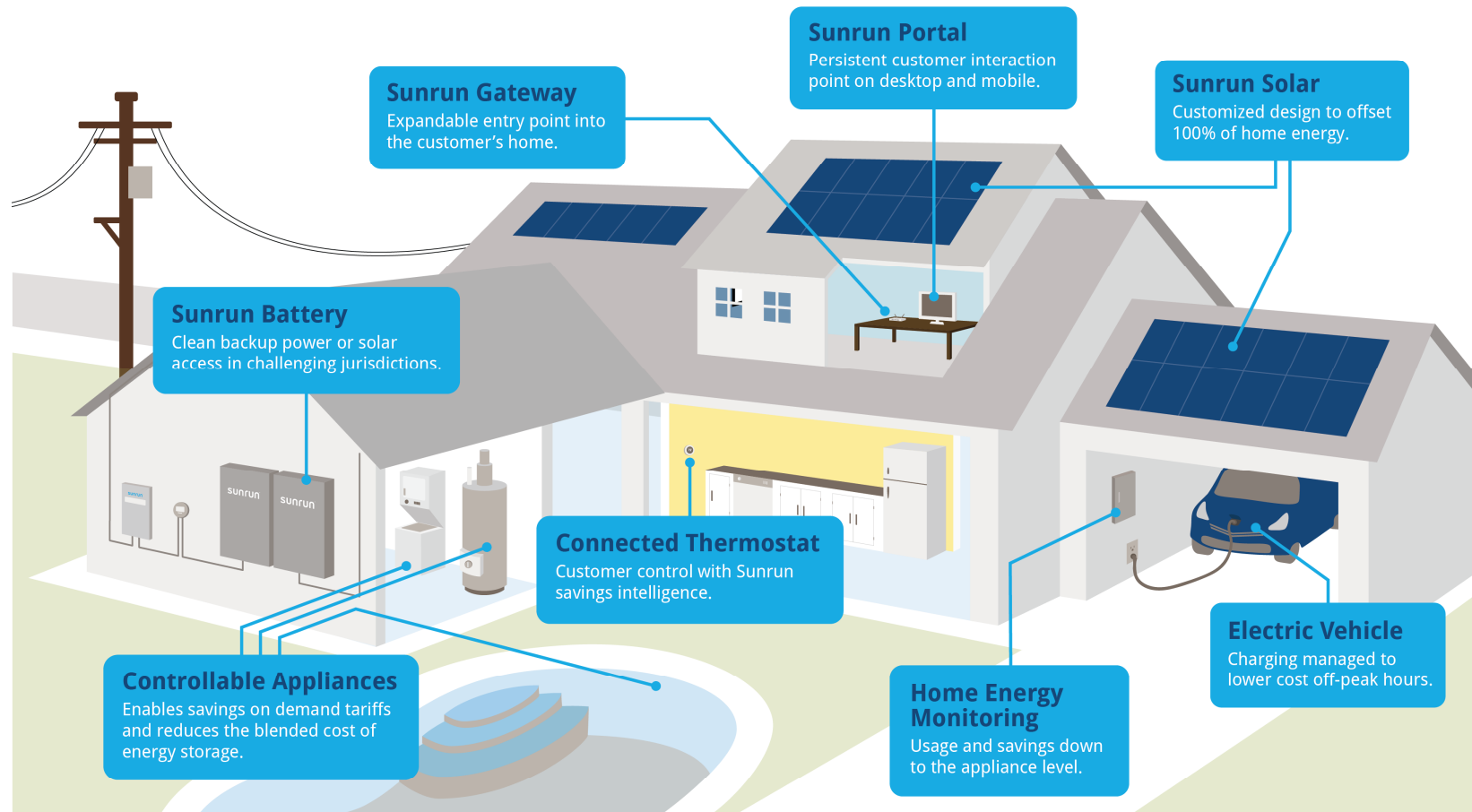
California's Fundamental Growth Drivers and Runway Remain Strong



- **Savings:** We are gaining clarity around NEM 2.0 in California and our customer value proposition is holding strong.¹
 - Year-1 Savings for PG&E customers under NEM 2.0 averages 27%, vs. 31% under NEM 1.0.
 - Year-1 Savings for SDG&E customers under NEM 2.0 during TOU grace period averages 35%, vs. 39% under NEM 1.0 and savings under TOU should remain similarly attractive.
- **Retail Rates:** Retail rates will continue to escalate, further driving demand for solar:
 - By 2018, SCE estimates that Tier 1, lowest-cost utility electricity rates will rise above \$0.17/kWh, higher than 2016 solar PPA pricing.²
 - For 2017, SCE and PG&E requested revenue requirements with 5.5% and 6% annual increases, respectively.³
- **Addressable Market:** We estimate there are ~2.5 million solar-ready homes in California vs. 590k installed solar homes, enabling continued growth.⁴
 - We arrive at this total based on the total housing stock of 6.9 million single family homes in California⁵, from which we exclude an estimate of homes not qualified due to any of the following characteristics: non-owner occupied, FICO scores <650, low electricity bills, shading, and non-buildable roof types.

(1) Sunrun and Genability analysis of estimated customer savings
(2) "Southern California Edison raises electricity rates," Desert Sun, November 3, 2015
(3) California Public Utilities Commission
(4) EIA
(5) U.S. Census

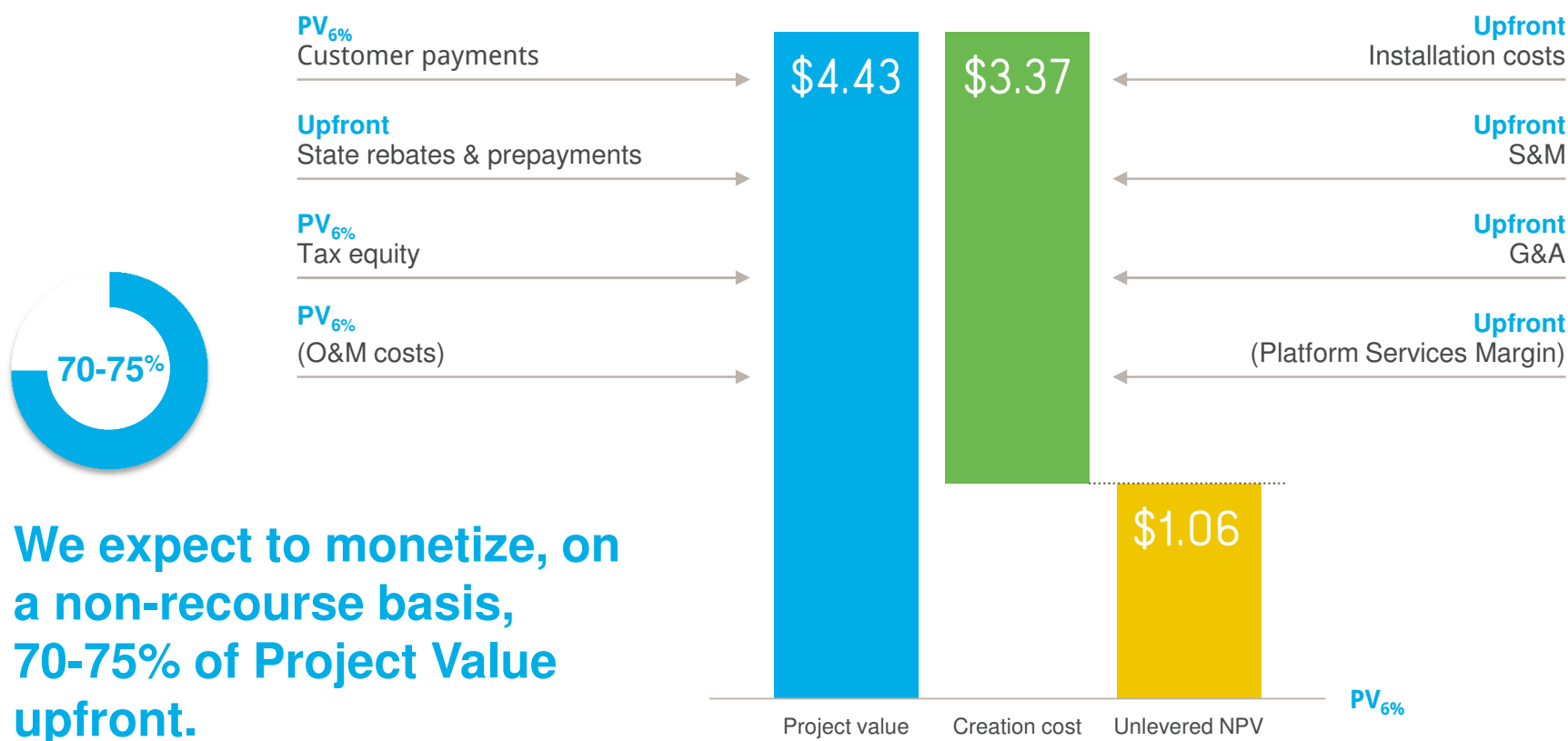
Continued Innovation Supports Third Party Ownership & Increased Customer Value



All home energy assets participate to offer:

1. Consumer control – Dispatchable through the Sunrun Portal
2. Local smart response – Management of the ecosystem to reduce consumption or move consumption into off-peak hours
3. Network smart response – Enables 3rd party revenue streams through DR and beyond

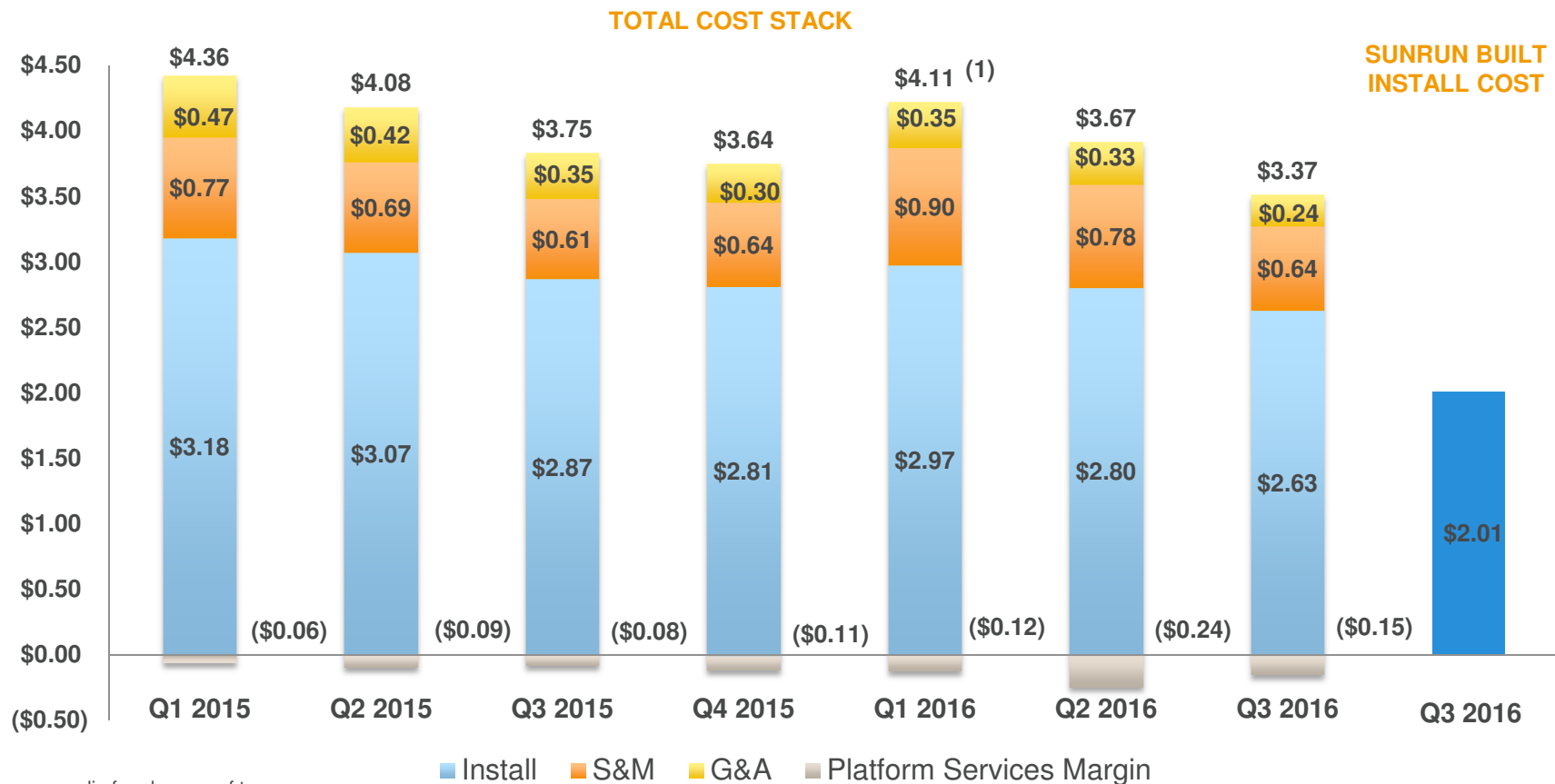
We Generated Unlevered NPV of \$1.06 Per Watt in Q3



We Reduced Costs 10% Year-Over-Year



Sunrun Built Install Cost At \$2.01 / Watt, a \$0.34 decrease year-over-year

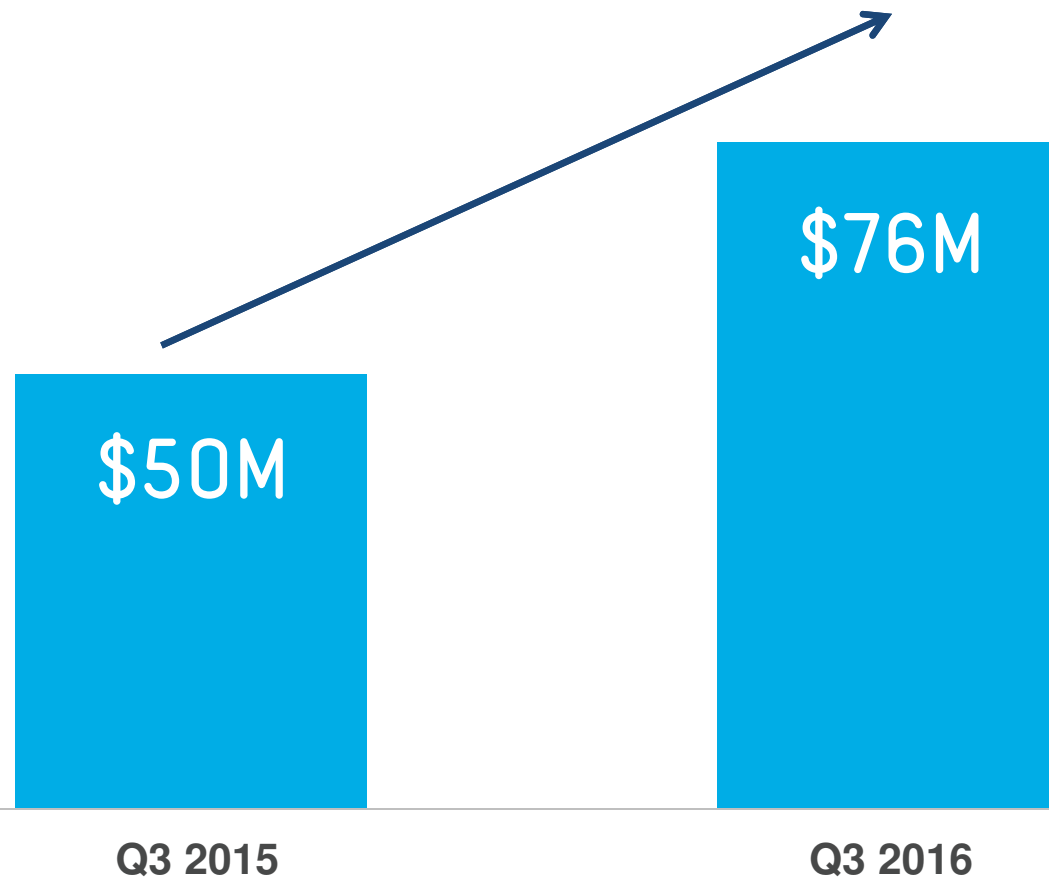


See appendix for glossary of terms.

Note: Numbers may not total due to rounding.

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

Record NPV Generated of \$76M Up 53% Year-Over-Year



See appendix for glossary of terms.
Note: Numbers may not tie due to rounding.



A 12-Month Period Gives an Indication of Steady State Proceeds We Raise

(\$ in millions)	YTD	4Q 2015	LTM
Proceeds from state tax credits, net	\$ 9.1	\$ (0.3)	\$ 8.8
Proceeds from non-recourse debt	249.8	7.8	257.6
Proceeds from lease pass-throughs (tax equity)	14.2	55.8	70.1
Contributions received from NCIs (tax equity)	422.2	60.0	482.2
Estimated customer prepayments and utility rebates received ⁽¹⁾	54.9	29.9	83.1
Total proceeds	750.3	153.2	901.7
Deployed leased MW, in period	178	58	237
Proceeds/watt			\$ 3.81

(1) Calculation of estimated proceeds from customer prepayments and utility rebates

(\$ in millions)	YTD	4Q 2015	LTM
Deferred revenue, current portion (BOP)	59.7	52.6	52.6
Deferred revenue, current portion (EOP)	<u>67.6</u>	<u>59.7</u>	<u>67.6</u>
Average of Deferred revenues / (portion of year)	47.7	14.0	60.1
Plus: change in deferred revenue	<u>7.2</u>	<u>15.8</u>	<u>23.0</u>
Total approximate increase in deferred revenue	54.9	29.9	83.1

Note: LTM defined as the period October 1, 2015 to September 30, 2016. Numbers may not total due to rounding. See Appendix pp18-19 for detailed calculation



Sunrun is Growing Net Earning Assets by 55% Year-Over-Year to an Already Sizeable Base

(\$ in millions)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Gross Earning Assets ⁽¹⁾	\$881	\$962	\$1,078	\$1,274	\$1,380	\$1,499	\$1,669
Project Level Debt ⁽²⁾	(\$191)	(\$198)	(\$336)	(\$343)	(\$442)	(\$512)	(\$571)
Lease Pass-Through Financing Obligation	(\$196)	(\$207)	(\$127)	(\$157)	(\$148)	(\$144)	(\$143)
Net Earning Assets	\$494	\$558	\$615	\$774	\$791	\$843	\$954

Note: Numbers may not sum due to rounding

(1) 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 our customer agreements. Value excludes estimated distributions to investors in consolidated joint ventures and estimated O&M expenses for contracted systems.

(2) Subsequent to Q4 '15, Project Level Debt is presented net of substantially all debt issuance costs to conform with the adoption of a new accounting standard.

Guidance



- Deployments of ~80 MW in Q4
- Increasing deployment guidance from 270 – 280 MW to ~285 MW for 2016



Question & Answer



APPENDIX: Key Operating Metrics

	THREE MONTHS ENDED	
	September 30, 2015	September 30, 2016
MW Booked (during the period)	95	79
MW Deployed (during the period)	56	80
Cumulative MW Deployed (end of period)	528	801
Estimated Nominal Contracted Payments Remaining (in millions)	\$2,219	\$3,031
Estimated Retained Value under Energy Contract (in millions)	\$921	\$1,290
Estimated Retained Value of Purchase or Renewal (in millions)	\$447	\$617
Estimated Retained Value (in millions)	\$1,368	\$1,907
Estimated Retained Value (per watt)	\$2.30	\$2.31

Note: Numbers may not sum due to rounding.



APPENDIX: Key Operating Metrics

	THREE MONTHS ENDED						
	March 31, 2015	June 30, 2015	Sept. 30, 2015	Dec. 31, 2015	March 31, 2016	June 30, 2016	Sept. 30, 2016
Project Value (per watt)	\$5.02	\$5.00 ⁽¹⁾	\$4.70	\$4.50	\$4.51	\$4.61	\$4.43
Creation Cost ⁽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

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

Source Documents to Calculate YTD Proceeds

(\$ in millions)		YTD
Proceeds from state tax credits	\$	9.1
Proceeds from non-recourse debt		249.8
Proceeds from lease pass-throughs (tax equity)		14.2
Contributions from NCIs (tax equity)		422.2
Estimated customer prepayments and utility rebates received		54.9
Total proceeds	\$	750.3

	Nine Months Ended September 30,	
	2016	2015
Financing activities:		
Proceeds from state tax credits, net of recapture	9,081	4,975
Proceeds from recourse debt	354,400	279,000
Repayment of recourse debt	(307,400)	(192,224)
Proceeds from non-recourse debt	249,820	150,000
Repayment of non-recourse debt	(18,113)	(8,938)
Payment of debt fees	(13,614)	(14,751)
Proceeds from lease pass-through financing obligations	14,242	73,300
Repayments of lease pass-through financing obligations	—	(88,918)
Contributions received from noncontrolling interests and redeemable noncontrolling interests	422,207	215,724

	Nine Months Ended September 30,	
	2016	2015
Operating activities:		
Net loss	\$ (217,498)	\$ (174,600)
Adjustments to reconcile net loss to net cash used in operating activities:		
Noncash losses	3,432	2,545
Depreciation and amortization, net of amortization of deferred grants	73,570	51,059
Bad debt expense	722	1,158
Interest on lease pass-through financing (obligations)	9,051	9,425
Noncash tax expense (benefit)	13,146	(5,312)
Noncash interest expense	8,024	5,349
Stock-based compensation expense	14,026	10,427
Reduction in lease pass-through financing obligations	(14,149)	(16,059)
Changes in operating assets and liabilities:		
Accounts receivable	9,183	(5,999)
Inventories	(14,573)	(27,993)
Prepaid and other assets	(5,135)	3,039
Accounts payable	(22,220)	37,605
Accrued expenses and other liabilities	9,014	5,568
Deferred revenue	7,176	31,856
Net cash used in operating activities	(127,231)	(71,932)

	September 30, 2016 (Unaudited)	December 31, 2015
Current liabilities:		
Accounts payable	\$ 88,669	\$ 104,133
Distributions payable to noncontrolling interests and redeemable noncontrolling interests	9,817	8,144
Accrued expenses and other liabilities	57,363	49,146
Deferred revenue, current portion	67,553	59,726
Deferred grants, current portion	14,374	13,949
Capital lease obligations, current portion	11,127	8,951
Long-term non-recourse debt, current portion	12,573	4,722
Lease pass-through financing obligation, current portion	5,177	3,710
Total current liabilities	266,653	252,481
Deferred revenue, net of current portion	582,276	559,066
Deferred grants, net of current portion	208,952	220,784

(\$ in millions)

Deferred revenue, current portion (BOP)

59.7

Deferred revenue, current portion (EOP)

67.6

Average of Deferred revenues *.75 (9 months)

47.7

Plus: change in deferred revenue

7.2

Total approximate increase in deferred revenue

54.9

Source Documents to Calculate Non-Recourse Proceeds in Q4 2015

Estimation of proceeds from non-recourse debt for Q4 2015

- Because our cash flow statement does not break out non-recourse debt, refer to Note 8. Indebtedness in the Q3 2015 10-Q and Note 11. Indebtedness in the 2015 10-K

MEMO - non-recourse debt proceeds (\$mm)

Non-recourse debt balance (End of period-12/31/15)	\$	343.3
Non-recourse debt balance (Beginning of period-9/30/15)		335.6
Change in non-recourse debt	\$	7.8

Note 11. Indebtedness

As of December 31, 2015, debt consisted of the following (in thousands):

	Carrying Values, net of debt discount			Unused Borrowing Capacity
	Current	Long Term	Total	
Recourse debt:				
Bank line of credit	\$ —	\$ 194,975	\$ 194,975	\$ 6,571
Total recourse debt	\$ —	\$ 194,975	\$ 194,975	\$ 6,571
Non-recourse debt:				
Syndicated term loans	926	169,739	170,665	5,600
Bank term loans	1,159	29,580	30,739	—
Note payable	—	33,059	33,059	—
Solar asset-backed notes	3,323	105,557	108,880	—
Total non-recourse debt	5,408	337,935	343,343	5,600
Total debt	\$ 5,408	\$ 532,910	\$ 538,318	\$ 12,171

As of September 30, 2015, debt consisted of the following (in thousands):

	Carrying Values, net of debt discount			Unused Borrowing Capacity
	Current	Long Term	Total	
Recourse debt:				
Bank line of credit	\$ —	\$ 133,294	\$ 133,294	\$ 43,094
Total recourse debt	\$ —	\$ 133,294	\$ 133,294	\$ 43,094
Non-recourse debt:				
Syndicated term loans	678	161,401	162,079	7,600
Bank term loans	1,125	30,395	31,520	—
Note payable	—	32,225	32,225	—
Solar asset-backed notes	2,967	106,731	109,698	—
Total non-recourse debt	4,770	330,752	335,522	7,600
Total debt	\$ 4,770	\$ 464,047	\$ 468,816	\$ 50,694

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 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 booked.

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

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

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 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.

Estimated Retained Value represents the cash flows, discounted at 6%, that we expect to receive from homeowners pursuant to Customer Agreements, net of estimated cash distributions to investors in consolidated joint ventures and estimated operating, maintenance and administrative expenses for systems contracted as of the measurement date. In calculating estimated retained value, 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 the investors is more similar to the payment of interest to lenders than the IRRs paid in other tax equity structures to investors.

Estimated Retained Value 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.)

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 (either in the form of cash payments during any applicable renewal period or a system purchase at the end of the initial term).

Estimated Retained Value Per Watt is calculated by dividing the estimated retained value as of the measurement date by the aggregate nameplate capacity of solar energy systems deployed with executed Customer Agreements as of such date.

MW Booked represents 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 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.

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

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.

APPENDIX: 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) 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 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.

