



Create a planet run by the sun.



Q3 Financial Results – November 8, 2017

# Safe Harbor & Forward Looking Statements



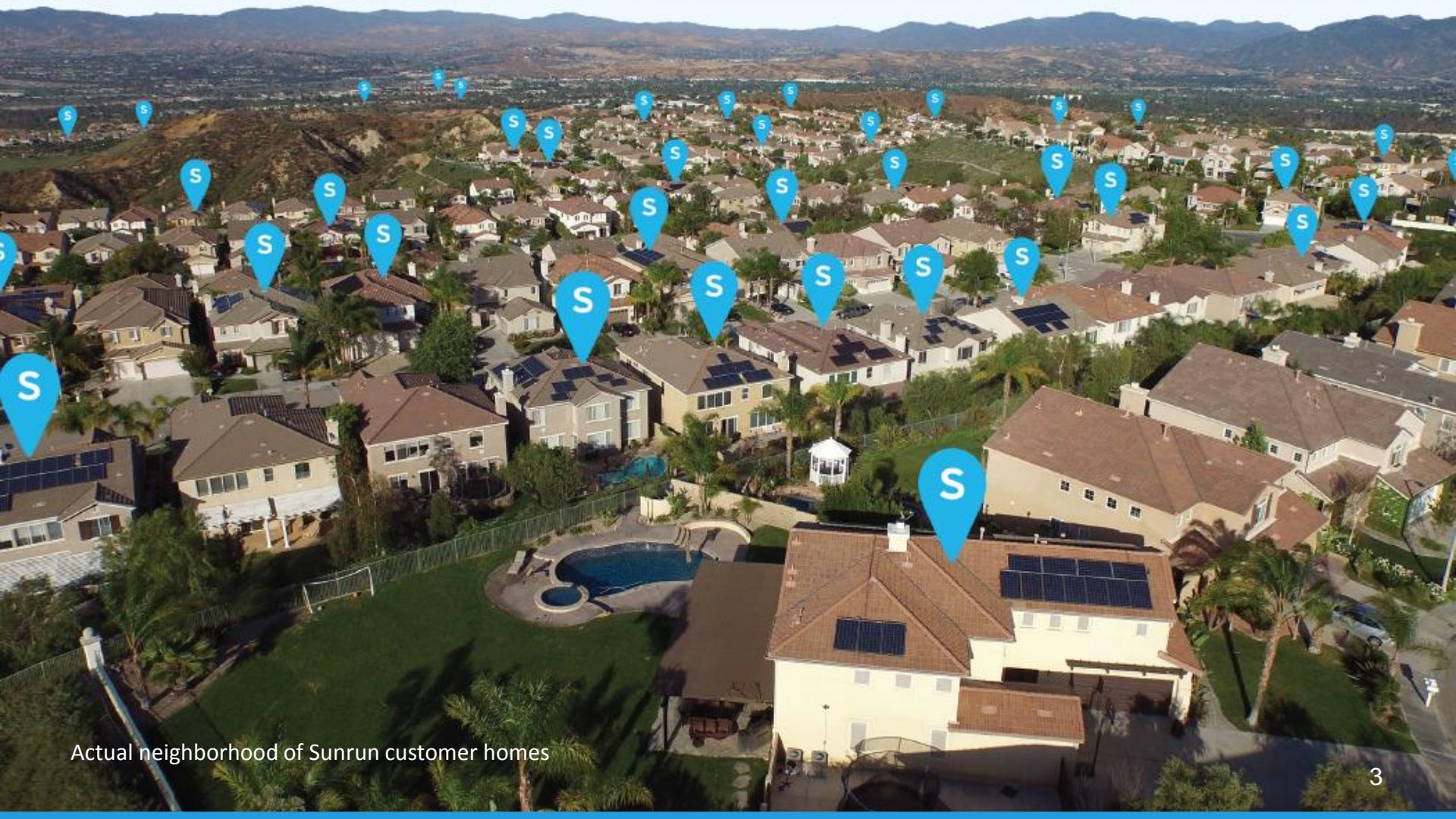
This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements in this presentation include, but are not limited to, statements related to financial and operating guidance and expectations for our fourth quarter and full year 2017, momentum in our business strategies, expectations regarding our strategic partnership with Comcast, expectations regarding our capital structure, expectations regarding our grid services business and the grid services market generally, expectations regarding module supplies, expectations regarding market share and market penetration, expectations regarding customers, cost reductions, project value, MW booked, MW deployed, product mix, proceeds raised on assets deployed and NPV as well as our ability to raise debt, tax equity, and cash equity and 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.



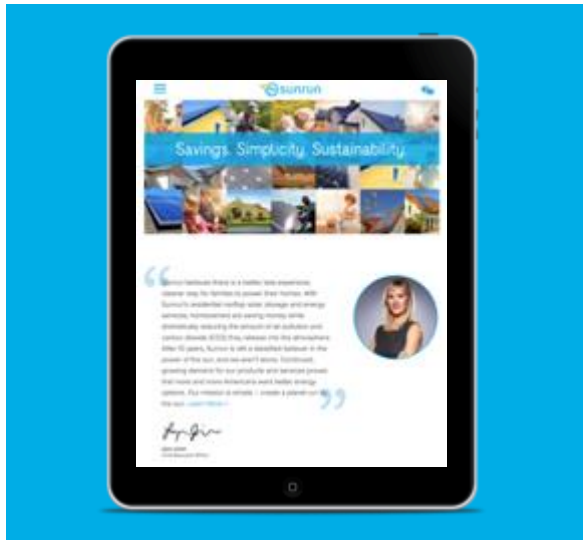
# Create a planet run by the sun



Actual neighborhood of Sunrun customer homes



# "This was the best decision we ever made." - John L. Las Vegas, NV



# Sunrun Continues to Grow Volumes and Expand Unit Economics

**90 MW  
Deployed**

**12% increase**  
from Q3 2016

**\$93 Million NPV**

**21% increase**  
from Q3 2016

**\$1.15** per watt, the  
highest level in the  
company's history

**\$1.2 Billion in Net  
Earning Assets**

**24% increase**  
vs. Q3 2016

**\$4.49 Project  
Value Per Watt**

**\$3.34 Creation  
Cost<sup>(1)</sup> Per Watt**

**1,117 Cumulative  
MW Deployed**

**39% increase**  
vs. Q3 2016

See Appendix for glossary of terms

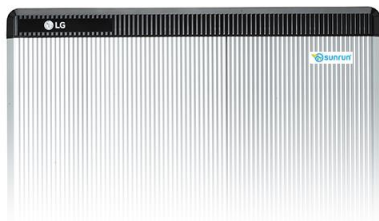
(1) The presentation of Creation Cost for periods prior to December 31, 2016 reflects changes made to the methodology further described in our Fourth Quarter 2016 earnings presentation available on our investor relations website.

# Strategic Advancements Setting Groundwork for a Strong 2018



## Significant Progress with BrightBox™ & Grid Services

brightbox™



- We continue to leverage our leading position to address home energy needs, including BrightBox™, our solar + storage offering and grid services to enhance the value proposition to our customers and the grid at large, even as rate structures evolve.
- BrightBox™ adoption trends surpass expectations and installations continue in California and Hawaii. The attachment rate of BrightBox™ in California is now over 10% for our direct business, doubling this quarter. New states will be launched in the coming quarters.
- Our multi-pronged partnership with National Grid demonstrates that forward thinking utilities recognize the value distributed energy resources can bring to the country's energy infrastructure.
- We continue to see an incremental ~\$2,000 in NPV per customer opportunity from grid services, adding value to the electric grid and consumers while also further differentiating Sunrun's product offering and demonstrating the value of our service-based model.

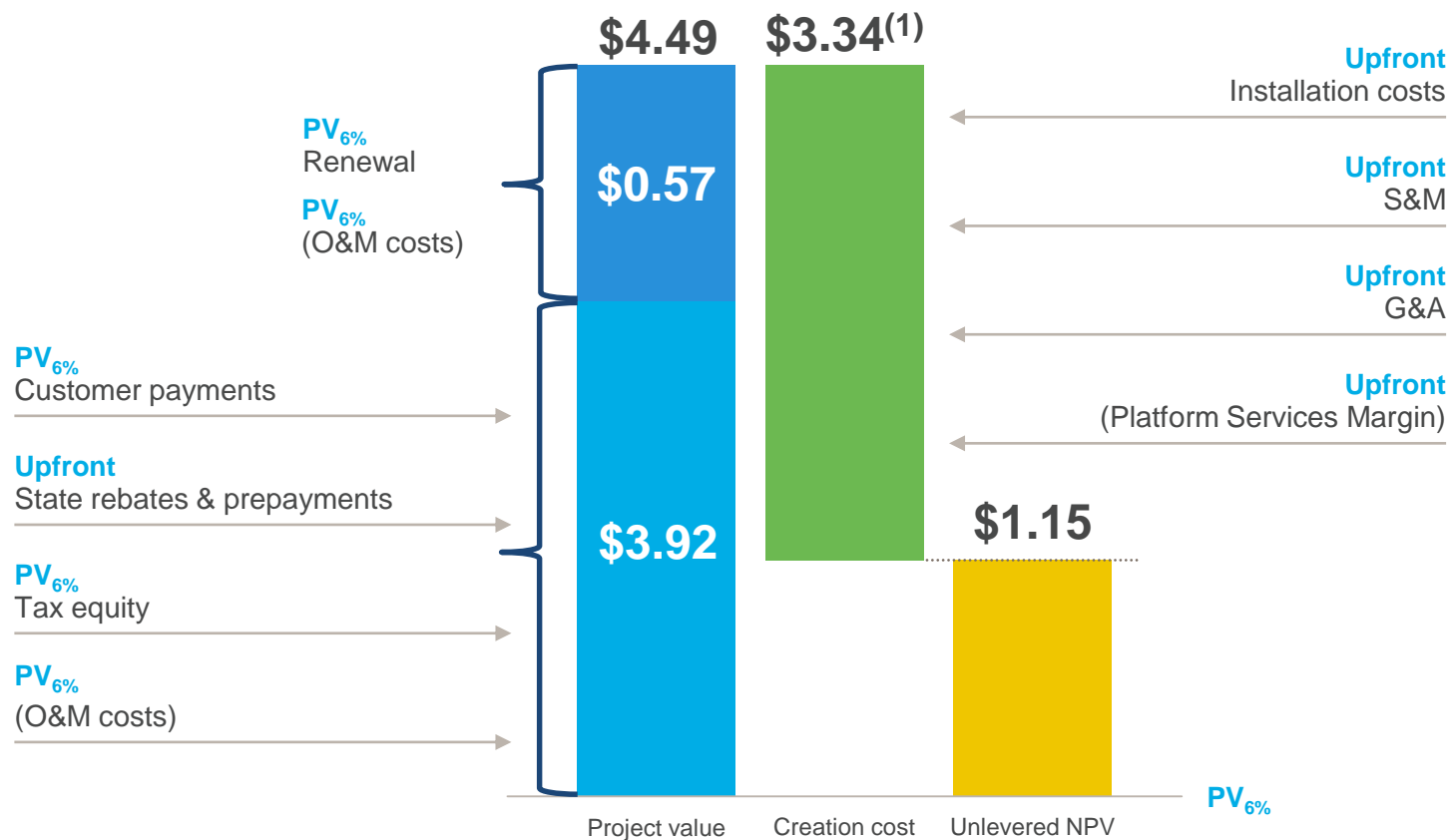
## Comcast Sales Partnership Announced, Select Market Launches by Year-end



- This quarter, Sunrun & Comcast announced a 40-month agreement designed to accelerate adoption of Sunrun's leading rooftop solar products and provide Comcast residential customers with savings on their electric bills. Sunrun will be the exclusive residential solar energy provider for Comcast, and Comcast will serve as one of Sunrun's strategic sales partners.
- Comcast plans to begin offering Sunrun's leading rooftop solar services to its customers in select states later this year.
- Consumers are demanding smarter energy choices, want more control over their energy, and want to save money. Combining forces with a major home service company capitalizes on this megatrend and increases category awareness.
- The partnership further validates the value of a long-term 20 year customer relationship as a solar energy service provider. A 2015 pilot indicated higher satisfaction and retention for Comcast customers that adopted solar with Sunrun. The pilot also highlighted the effectiveness of joint marketing, resulting in lower customer acquisition costs for Sunrun.

# Unlevered NPV was \$1.15 per watt in Q3, the highest in the company's history

*Increasing target to \$1.05 for 2017*



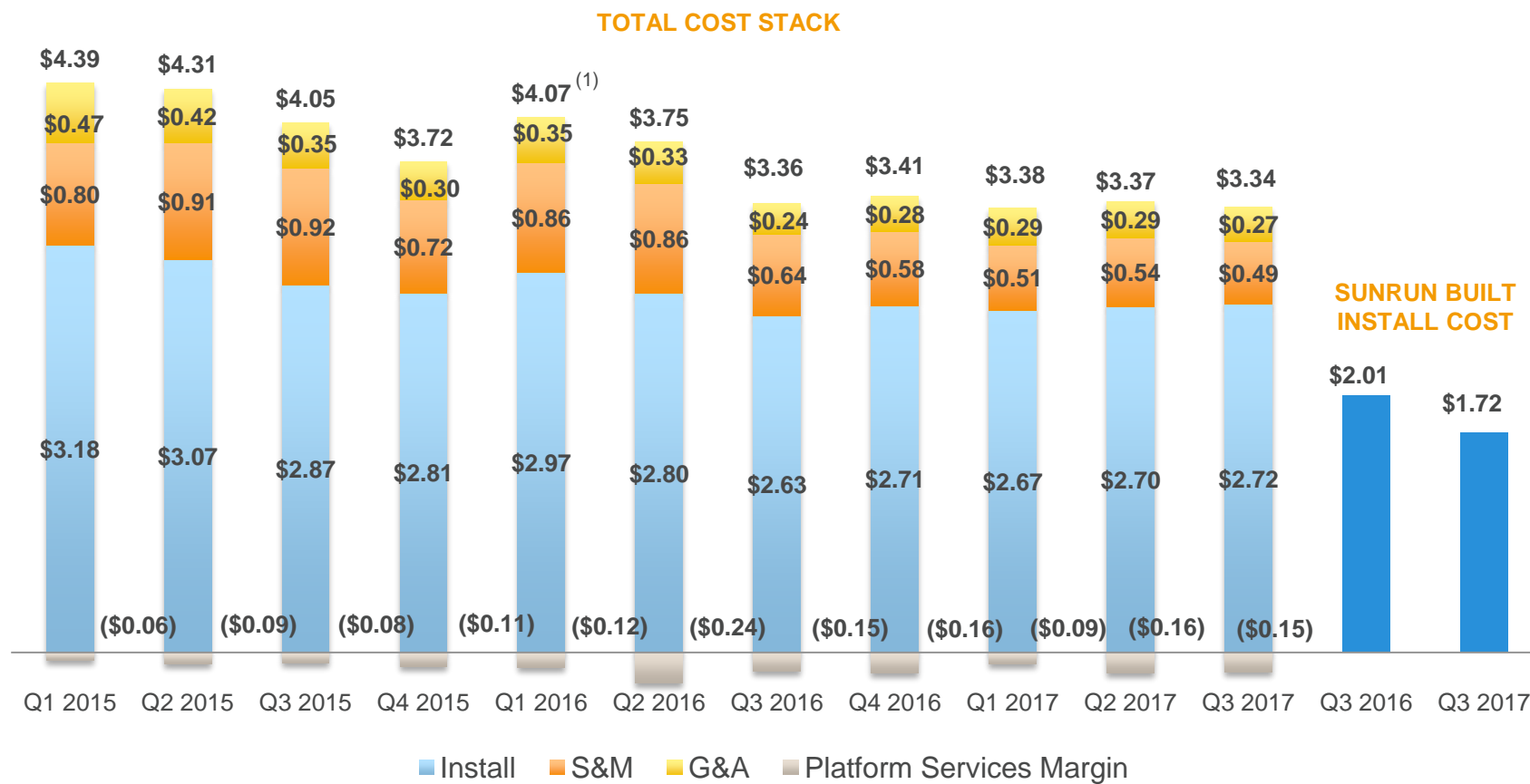
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# Costs Improve Year-Over-Year

Sunrun Built Install Cost At \$1.72 / Watt, a \$0.29 decrease year-over-year



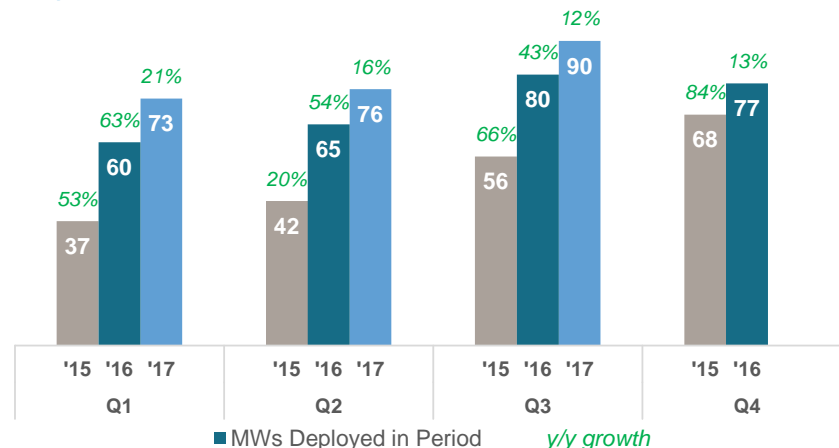
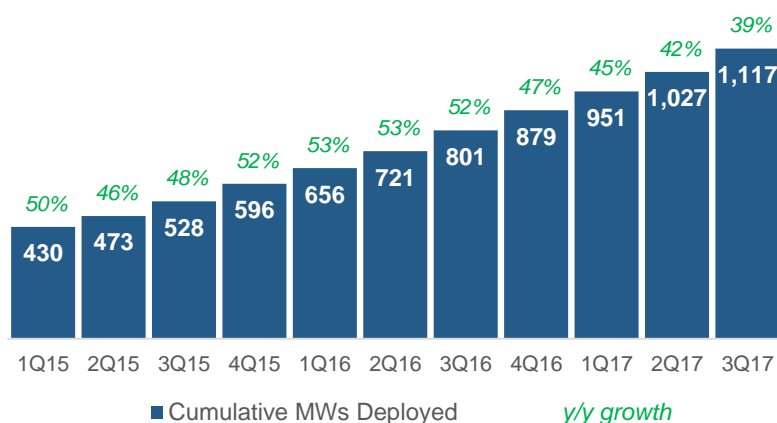
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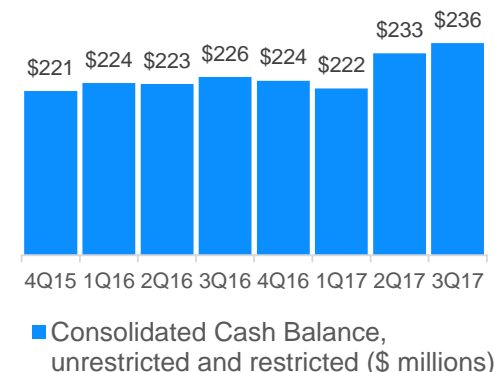
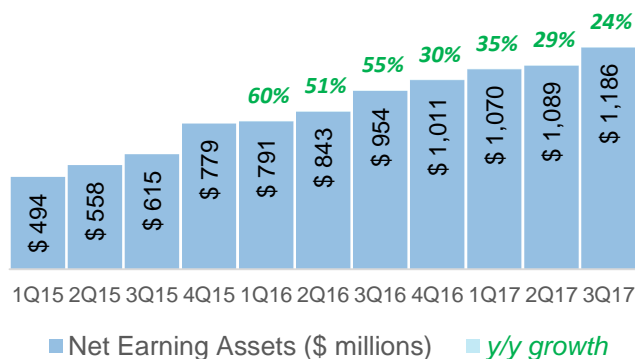
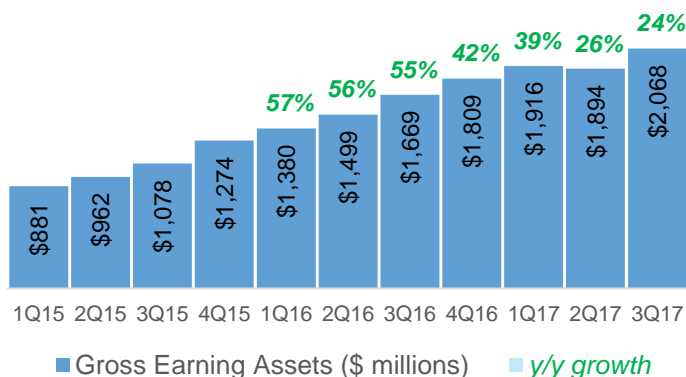
(1) Q1 2016 figures are pro forma and exclude exit costs in Nevada.



# Delivering Consistent Growth and Building a Valuable Base of Deployed Assets



**Gross Earning Assets and Net Earning Assets have grown significantly, while Sunrun's consolidated cash balance has remained above \$200m for nine consecutive quarters**

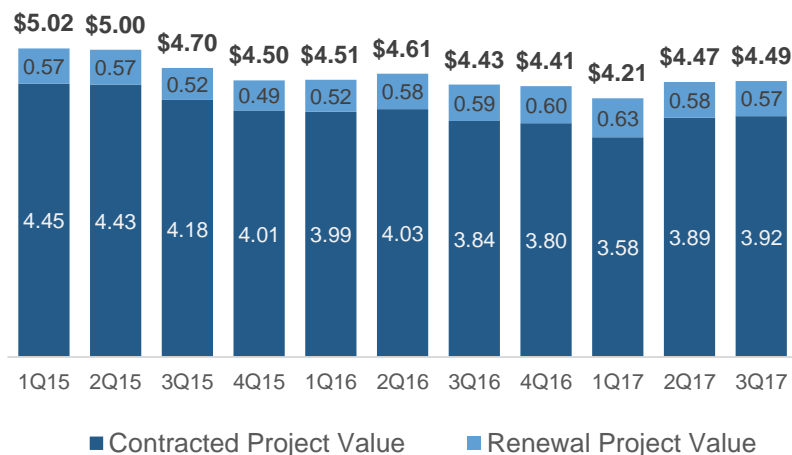


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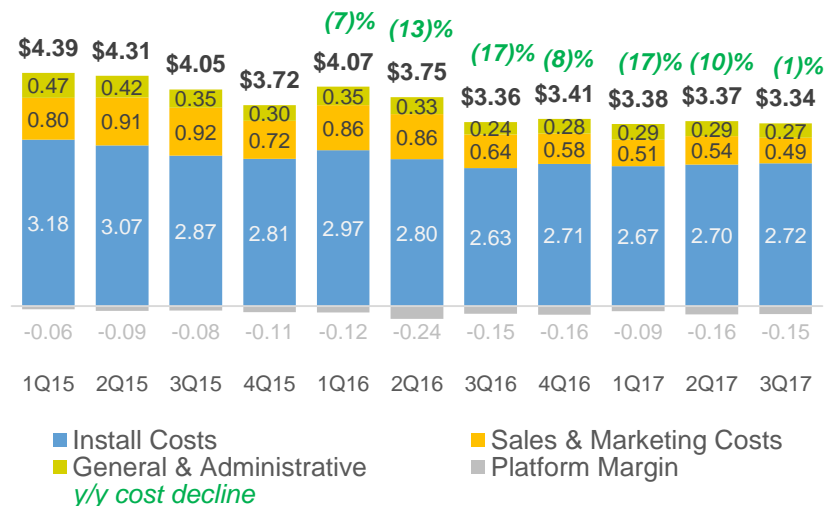
# Improving Unit Economics



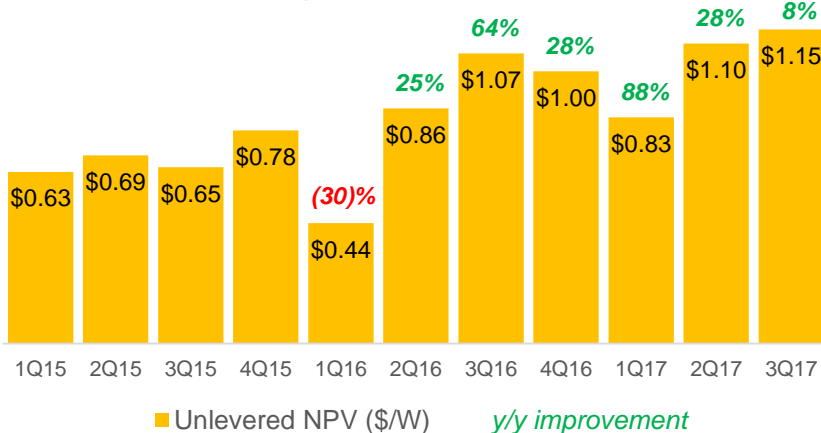
## Modest Project Value Declines



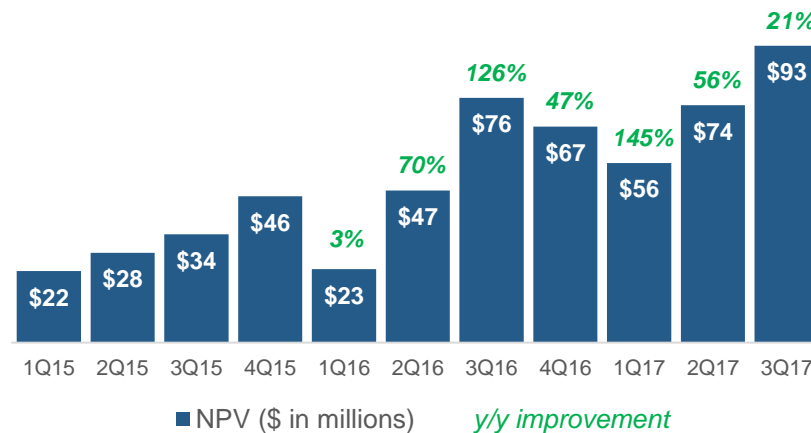
## Meaningful Creation Cost Reductions



## Improving Unit Economics



## Significant NPV Each Quarter



See Appendix for glossary of terms. Numbers may not sum due to rounding. The presentation of Creation Cost for periods prior to December 31, 2016 reflect changes made to the methodology as further described in our Fourth Quarter 2016 earnings presentation available on our investor relations website.

# Guidance



- Reiterating guidance of 325 MWs deployed for full year 2017
- Deployments of 87 MWs in Q4





# Net Earning Assets Grew 24% Year-Over-Year



(\$ in millions)	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Gross Earning Assets, Contracted <sup>(1)</sup>	\$913	\$992	\$1,108	\$1,200	\$1,269	\$1,229	\$1,359
Gross Earning Assets, Renewal <sup>(1)</sup>	\$467	\$507	\$561	\$609	\$647	\$665	\$709
<b>Total Gross Earning Assets<sup>(1)</sup></b>	<b>\$1,380</b>	<b>\$1,499</b>	<b>\$1,669</b>	<b>\$1,809</b>	<b>\$1,916</b>	<b>\$1,894</b>	<b>\$2,068</b>
Project Level Debt <sup>(1) (3)</sup>	(\$442)	(\$512)	(\$571)	(\$654)	(\$702)	(\$780)	(\$869)
Pro forma debt adjustment <sup>(1)(2)(3)</sup>	-	-	-	-	-	\$120	\$130
Lease Pass-Through Financing Obligation	(\$148)	(\$144)	(\$143)	(\$144)	(\$144)	(\$145)	(\$144)
<b>Net Earning Assets</b>	<b>\$791</b>	<b>\$843</b>	<b>\$954</b>	<b>\$1,011</b>	<b>\$1,070</b>	<b>\$1,089</b>	<b>\$1,186</b>

See Appendix for glossary of terms. Numbers may not tie due to rounding.

(1) Gross Earning Assets excludes the pro-rata share of forecasted unlevered cash flows attributable to cash equity financing partners, allocated based on the estimated pro-rata split of cash flows. Because estimated cash distributions to our cash equity financing partners are deducted from Gross Earning Assets, so is a proportional share of the corresponding project level debt from Net Earning Assets.

(2) Pro forma debt adjustment is calculated as carrying value of non-recourse debt for funds supported by cash equity, totaling \$131.508 million as of Q3 2017 outlined in Note 6 in the 10Q filing, multiplied by 99%, the pro rata share of cash flows with the cash equity investor.

(3) Project Level Debt is presented net of substantially all debt issuance costs to conform with the adoption of a new accounting standard.

# We have significant flexibility in how we capitalize our solar installations



*In 2017, we used non-recourse financings to balance our goals of upfront cash generation with long-term value creation*

## Cash Equity Structure

### *Example: National Grid Project Fund*

- Cash equity transactions generate upfront cash of approximately 95%-100% of initially contracted project value.
- When we refinance the National Grid transaction in about 6 years, we expect to generate an incremental proceeds of 2% to 3% of initially contracted project value.
- This structure provides slightly more cash upfront, but slightly less value over time.

## Term Loan Structure

### *Example: Q4 Non-Recourse Credit Facility*

- Term loan transactions allow us to generate upfront cash proceeds of approximately 90% of initially contracted project value.
- We expect that refinancing such a transaction in about six years will generate cumulative cash proceeds of 105-110% of initially contracted project value.
- This increase occurs because the present value of cash flows distributable to Sunrun Inc. increases as we repay tax equity. The simpler capital structure also permits higher advance rates and access to a deeper market.
- This structure provides more value to Sunrun over time, but less cash upfront.

Question & Answer



# Operating Metrics Summary



For a description of how the below metrics are calculated, see (i) our 2016 Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on March 8, 2017, (ii) the quarterly earnings releases and presentation materials for each applicable period available on our investor relations website and (iii) the accompanying notes therein.

## Operating Metrics

	1Q15	2Q15	3Q15	4Q15	FY2015	1Q16	2Q16	3Q16	4Q16	FY2016	1Q17	2Q17	3Q17
<b>MW Booked <sup>(1)</sup></b>	<b>34.3</b>	<b>46.2</b>	<b>65.7</b>	<b>82.3</b>	<b>228.5</b>	<b>61.7</b>	<b>68.7</b>	<b>82.8</b>	<b>71.9</b>	<b>285.1</b>	<b>73.5</b>	<b>87.9</b>	<b>92.8</b>
q/q growth		35%	42%	25%		(25)%	11%	21%	(13)%	25%	2%	20%	6%
y/y growth						80%	49%	26%	(13)%		19%	28%	12%
<b>MW Deployed</b>	<b>36.6</b>	<b>42.4</b>	<b>55.7</b>	<b>68.1</b>	<b>202.9</b>	<b>59.9</b>	<b>65.2</b>	<b>79.9</b>	<b>77.2</b>	<b>282.2</b>	<b>72.8</b>	<b>75.6</b>	<b>89.8</b>
q/q growth		16%	31%	22%		(12)%	9%	22%	(3)%	39%	(6)%	4%	19%
y/y growth					56%	63%	54%	43%	13%		21%	16%	12%
<b>Cumulative MW Deployed</b>	<b>430.1</b>	<b>472.5</b>	<b>528.2</b>	<b>596.0</b>	<b>596.0</b>	<b>656.0</b>	<b>721.0</b>	<b>801.0</b>	<b>878.5</b>	<b>878.5</b>	<b>951.3</b>	<b>1,026.9</b>	<b>1,116.7</b>
q/q growth		10%	12%	13%		10%	10%	11%	10%		8%	8%	9%
y/y growth					51.7%	53%	53%	52%	47%	47%	45%	42%	39%
<b>Leased MW Deployed</b>	<b>35.3</b>	<b>40.4</b>	<b>52.1</b>	<b>58.3</b>	<b>186.2</b>	<b>51.7</b>	<b>54.9</b>	<b>71.6</b>	<b>67.3</b>	<b>245.5</b>	<b>67.4</b>	<b>67.1</b>	<b>80.2</b>
Leased MWs as % of total MW Deployed	96%	95%	94%	86%	92%	86%	84%	90%	87%	87%	93%	89%	89%
<b>Cumulative Leased MW Deployed</b>	<b>384.7</b>	<b>425.1</b>	<b>477.2</b>	<b>535.6</b>	<b>535.6</b>	<b>587.2</b>	<b>642.1</b>	<b>713.7</b>	<b>781.0</b>	<b>781.0</b>	<b>848.4</b>	<b>915.6</b>	<b>995.8</b>
q/q growth		11%	12%	12%		10%	9%	11%	9%		9%	8%	9%
y/y growth						53%	51%	50%	46%	46%	44%	43%	40%
<b>Project Value (per watt)</b>	<b>\$ 5.02</b>	<b>\$ 5.00</b>	<b>\$ 4.70</b>	<b>\$ 4.50</b>	<b>\$ 4.76</b>	<b>\$ 4.51</b>	<b>\$ 4.61</b>	<b>\$ 4.43</b>	<b>\$ 4.41</b>	<b>\$ 4.48</b>	<b>\$ 4.21</b>	<b>\$ 4.47</b>	<b>\$ 4.49</b>
Contracted	4.45	4.43	4.18	4.01	4.19	3.99	4.03	3.84	3.80	3.90	3.58	3.89	3.92
Renewal	0.57	0.57	0.52	0.49	0.57	0.52	0.58	0.59	0.60	0.58	0.63	0.58	0.57
q/q growth		(0)%	(6)%	(4)%		0%	2%	(4)%	(0)%		(5)%	6%	0%
y/y growth						(10)%	(8)%	(6)%	(2)%	(6)%	(7)%	(3)%	1%
<b>Creation Cost (per watt) <sup>(2)</sup></b>	<b>\$ 4.39</b>	<b>\$ 4.31</b>	<b>\$ 4.05</b>	<b>\$ 3.72</b>	<b>\$ 4.06</b>	<b>\$ 4.07</b>	<b>\$ 3.75</b>	<b>\$ 3.36</b>	<b>\$ 3.41</b>	<b>\$ 3.61</b>	<b>\$ 3.38</b>	<b>\$ 3.37</b>	<b>\$ 3.34</b>
Installation	3.18	3.07	2.87	2.81	2.95	2.97	2.80	2.63	2.71	2.76	2.67	2.70	2.72
Sales & Marketing (expensed & capitalized)	0.80	0.91	0.92	0.72	0.83	0.86	0.86	0.64	0.58	0.72	0.51	0.54	0.49
General & Administrative	0.47	0.42	0.35	0.30	0.37	0.35	0.33	0.24	0.28	0.29	0.29	0.29	0.27
(-) Platform services margin	(0.06)	(0.09)	(0.08)	(0.11)	(0.09)	(0.12)	(0.24)	(0.15)	(0.16)	(0.17)	(0.09)	(0.16)	(0.15)
<b>Sunrun Built Install Cost (per watt)</b>			<b>\$ 2.35</b>	<b>\$ 2.33</b>		<b>\$ 2.36</b>	<b>\$ 2.27</b>	<b>\$ 2.01</b>	<b>\$ 2.04</b>	<b>\$ 2.21</b>	<b>\$ 2.14</b>	<b>\$ 1.87</b>	<b>\$ 1.72</b>
<b>Unlevered NPV (per watt)</b>	<b>\$ 0.63</b>	<b>\$ 0.69</b>	<b>\$ 0.65</b>	<b>\$ 0.78</b>	<b>\$ 0.70</b>	<b>\$ 0.44</b>	<b>\$ 0.86</b>	<b>\$ 1.07</b>	<b>\$ 1.00</b>	<b>\$ 0.87</b>	<b>\$ 0.83</b>	<b>\$ 1.10</b>	<b>\$ 1.15</b>
<b>NPV created (\$ in millions)</b>	<b>\$ 22</b>	<b>\$ 28</b>	<b>\$ 34</b>	<b>\$ 46</b>	<b>\$ 130</b>	<b>\$ 23</b>	<b>\$ 47</b>	<b>\$ 76</b>	<b>\$ 67</b>	<b>\$ 213</b>	<b>\$ 56</b>	<b>\$ 74</b>	<b>\$ 93</b>
y/y growth						3%	70%	126%	47%	64%	145%	56%	21%
Gross Earning Assets, contracted				\$ 842	\$ 842	\$ 913	\$ 992	\$ 1,108	\$ 1,200	\$ 1,200	\$ 1,269	\$ 1,229	\$ 1,359
Gross Earning Assets, renewal				432	432	467	507	561	609	609	647	665	709
<b>Gross Earning Assets (\$ in millions) <sup>(3)</sup></b>	<b>\$ 881</b>	<b>\$ 962</b>	<b>\$ 1,078</b>	<b>\$ 1,274</b>	<b>\$ 1,274</b>	<b>\$ 1,380</b>	<b>\$ 1,499</b>	<b>\$ 1,669</b>	<b>\$ 1,809</b>	<b>\$ 1,809</b>	<b>\$ 1,916</b>	<b>\$ 1,894</b>	<b>\$ 2,068</b>
q/q growth		9%	12%	18%		8%	9%	11%	8%		6%	(1)%	9%
y/y growth						57%	56%	55%	42%	42%	39%	26%	24%
(-) Project Level Debt	(191)	(198)	(336)	(338)	(338)	(442)	(512)	(571)	(654)	(654)	(702)	(780)	(869)
(+) Pro forma debt adjustment <sup>(3)</sup>	-	-	-	-	-	-	-	-	-	-	-	120	130
(-) Lease Pass-Through Financing Obligation	(196)	(207)	(127)	(157)	(157)	(148)	(144)	(143)	(144)	(144)	(144)	(145)	(144)
<b>Net Earning Assets (\$ in millions)</b>	<b>\$ 494</b>	<b>\$ 558</b>	<b>\$ 615</b>	<b>\$ 779</b>	<b>\$ 779</b>	<b>\$ 791</b>	<b>\$ 843</b>	<b>\$ 954</b>	<b>\$ 1,011</b>	<b>\$ 1,011</b>	<b>\$ 1,070</b>	<b>\$ 1,089</b>	<b>\$ 1,186</b>
q/q growth		13%	10%	27%		2%	7%	13%	6%		6%	2%	9%
y/y growth						60%	51%	55%	30%	30%	35%	29%	24%
<b>Contracted Net Earning Assets (\$ in millions)</b>				<b>\$ 347</b>	<b>\$ 347</b>	<b>\$ 323</b>	<b>\$ 336</b>	<b>\$ 394</b>	<b>\$ 402</b>	<b>\$ 402</b>	<b>\$ 423</b>	<b>\$ 424</b>	<b>\$ 476</b>
q/q growth						(7)%	4%	17%	2%		5%	0%	12%
y/y growth									16%	16%	31%	26%	21%

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# Consolidated Financial Statement Summaries



## Consolidated Financial Statement Summaries

(\$ in '000s, except per share amounts)

	1Q15	2Q15	3Q15	4Q15	FY2015	1Q16	2Q16	3Q16	4Q16	FY2016	1Q17	2Q17	3Q17
<b>Income Statement</b>													
Operating leases and incentives revenue	\$ 22,308	\$ 34,458	\$ 31,650	\$ 29,588	\$ 118,004	\$ 34,540	\$ 45,394	\$ 43,150	\$ 45,333	\$ 168,417	\$ 48,098	\$ 65,337	\$ 58,462
Solar energy systems and product sales	27,369	38,232	50,950	70,051	186,602	64,203	77,144	68,883	75,251	285,481	56,019	72,511	82,829
Total revenue	49,677	72,690	82,600	99,639	304,606	98,743	122,538	112,033	120,584	453,898	104,117	137,848	141,291
y/y growth						99%	69%	36%	21%	49%	5%	12%	26%
Cost of operating leases and incentives	21,377	27,067	28,723	34,617	111,784	38,100	38,608	40,770	42,380	159,858	44,336	47,114	49,232
Cost of solar energy systems and product sales	25,330	34,624	46,468	62,329	168,751	57,512	61,600	57,264	63,005	239,381	49,431	60,938	69,588
Total COGS	46,707	61,691	75,191	96,946	280,535	95,612	100,208	98,034	105,385	399,239	93,767	108,052	118,820
y/y growth						105%	62%	30%	9%	42%	-2%	8%	21%
Gross margin from operating leases and incentives	4%	21%	9%	-17%	5%	-10%	15%	6%	7%	5%	8%	28%	16%
Gross margin from system and product sales	7%	9%	9%	11%	10%	10%	20%	17%	16%	16%	12%	16%	16%
S&M	24,926	33,976	45,382	41,193	145,477	43,188	43,716	40,192	35,685	162,781	31,676	32,784	37,298
R&D	2,287	2,492	2,240	2,638	9,657	2,463	2,373	2,458	2,905	10,199	2,996	3,710	3,936
G&A	20,306	19,677	21,486	22,973	84,442	23,248	23,614	21,331	24,184	92,377	24,621	25,230	27,925
Amortization of intangible assets	542	1,051	1,051	1,051	3,695	1,052	1,051	1,051	1,052	4,206	1,051	1,051	1,052
Total operating expenses	94,768	118,887	145,350	164,801	523,806	165,563	170,962	163,066	169,211	668,802	154,111	170,827	189,031
EBIT	(45,091)	(46,197)	(62,750)	(65,162)	(219,200)	(66,820)	(48,424)	(51,033)	(48,627)	(214,904)	(49,995)	(32,979)	(47,740)
Interest & other expense (income)	7,429	9,883	8,562	9,131	35,005	10,983	13,093	13,999	14,329	52,404	15,752	16,810	17,613
Tax expense (benefit)	-	(6,215)	903	13	(5,299)	-	3,210	9,936	22,847	35,993	7,338	15,453	14,834
Net loss	(52,520)	(49,865)	(72,215)	(74,306)	(248,906)	(77,803)	(64,727)	(74,968)	(85,803)	(303,301)	(73,084)	(65,242)	(80,187)
Net loss attributable to NCI and redeemable NCI	(34,525)	(57,405)	(69,447)	(59,283)	(220,660)	(90,937)	(97,370)	(91,846)	(114,835)	(394,988)	(85,811)	(90,364)	(107,969)
Net income (loss) attributable to common stockholders	(17,995)	7,540	(2,768)	(15,023)	(28,246)	13,134	32,643	16,878	29,032	91,687	12,727	25,122	27,782
Diluted EPS attributable to common stockholders	\$ (0.23)	\$ -	\$ (0.41)	\$ (0.15)	\$ (0.96)	\$ 0.13	\$ 0.31	\$ 0.16	\$ 0.27	\$ 0.87	\$ 0.12	\$ 0.23	\$ 0.25
<b>Balance Sheet</b>													
Cash, unrestricted	105,473	116,610	263,006	203,864	203,864	208,313	207,220	207,477	206,364	206,364	203,791	211,321	216,142
Cash, restricted & unrestricted	117,015	129,764	278,895	221,161	221,161	223,684	223,374	225,538	224,363	224,363	221,938	232,945	236,130
Solar energy systems, net	1,587,867	1,695,728	1,837,047	1,992,021	1,992,021	2,137,015	2,282,729	2,461,506	2,629,366	2,629,366	2,790,424	2,951,260	3,147,383
Non-recourse Debt	191,021	197,698	335,522	337,764	337,764	441,787	512,286	571,473	654,023	654,023	701,875	780,232	868,795
Lease Pass through Financing Obligation	196,343	206,713	126,997	156,898	156,898	147,560	144,174	143,298	143,781	143,781	143,922	145,118	144,040
Recourse Debt	48,675	140,024	133,294	197,000	197,000	191,000	242,400	244,000	244,000	244,000	247,400	247,000	247,000
<b>Cash Flow</b>													
Cash Flow from Operations	(2,316)	(42,286)	(27,330)	(33,334)	(105,266)	(77,395)	(21,018)	(28,818)	(23,349)	(150,580)	(29,107)	(4,350)	(5,709)
Cash Flow from Investing	(133,238)	(143,831)	(154,783)	(195,637)	(627,489)	(169,652)	(176,028)	(200,012)	(199,420)	(745,112)	(170,759)	(190,431)	(227,954)
Cash Flow from Financing	88,873	197,254	328,509	169,829	784,465	251,496	195,953	229,087	221,656	898,192	197,293	202,311	238,484
Proceeds from NCI	59,341	96,321	60,062	59,980	275,704	154,944	84,677	182,586	151,335	573,542	162,565	140,980	167,777
Proceeds from Non-Recourse Debt	-	10,200	139,800	9,400	159,400	106,400	83,346	60,074	85,846	335,666	38,225	161,300	94,561
<b>Additional items</b>													
Depreciation & Amortization	15,429	17,244	18,386	20,314	71,373	21,596	24,968	27,006	30,535	104,105	31,710	33,572	34,392
Stock Based Compensation (SBC)	3,220	3,201	4,006	5,396	15,823	3,809	4,838	5,379	4,697	18,723	5,874	5,515	5,105
COGS - operating leases and incentives SBC	49	248	545	807	1,649	207	632	711	489	2,039	751	1,110	(69)
COGS - system sales and product sales SBC	77	35	61	63	236	81	117	86	125	409	114	156	171
S&M SBC	427	1,209	1,656	1,950	5,242	1,618	1,890	2,484	1,839	7,831	1,917	807	1,580
R&D SBC	62	64	1	78	205	97	149	115	154	515	149	186	259
G&A SBC	2,605	1,645	1,743	2,498	8,491	1,806	2,050	1,983	2,090	7,929	2,943	3,256	3,164
Other Adjustments for Creation Costs													
S&M: Amortization of intangibles	639	1,798	1,714	1,603	5,754	1,575	1,705	1,731	1,749	6,760	1,797	708	638
G&A: Amortization of intangibles	395	375	331	310	1,411	300	302	287	468	1,357	303	297	348
Other Adjustments	-	-	1,057	-	1,057	2,393	-	-	-	2,393	-	-	-

Note: Numbers may not sum due to rounding.

# Gross Earning Assets - Sensitivities

*\$ in millions, as of September 30, 2017*

Gross Earning Assets Under Energy Contract					
<u>Default rate</u>	Discount rate				
	4%	5%	6%	7%	8%
5%	\$ 1,559	\$ 1,434	\$ 1,324	\$ 1,225	\$ 1,137
0%	\$ 1,603	\$ 1,474	\$ 1,359	\$ 1,257	\$ 1,167

Gross Earning Assets Value of Purchase or Renewal					
<u>Purchase or Renewal rate</u>	Discount rate				
	4%	5%	6%	7%	8%
80%	\$ 942	\$ 762	\$ 619	\$ 504	\$ 412
90%	\$ 1,080	\$ 874	\$ 709	\$ 578	\$ 472
100%	\$ 1,217	\$ 985	\$ 800	\$ 652	\$ 533

Total Gross Earning Assets					
<u>Purchase or Renewal rate</u>	Discount rate				
	4%	5%	6%	7%	8%
80%	\$ 2,545	\$ 2,236	\$ 1,978	\$ 1,761	\$ 1,579
90%	\$ 2,682	\$ 2,347	\$ 2,068	\$ 1,835	\$ 1,639
100%	\$ 2,820	\$ 2,459	\$ 2,159	\$ 1,909	\$ 1,699



# Additional Renewal Value Sensitivities

Renewal Value of Operating Portfolio as of 9/30/17 using Real PPA Rates<sup>(1)</sup> & Years of Renewal

## Total Renewal Value of Operating Portfolio - 5 % discount rate

Deployed portfolio as of 9/30/17, \$ of NPV in millions, using a 5% discount rate

		Years of Renewal Obtained After Initial Contract Ends									
		1 years	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
Real PPA Rate at Renewal <sup>1</sup> (\$/kwh)	\$ 0.04	\$ 15	\$ 27	\$ 35	\$ 41	\$ 49	\$ 60	\$ 76	\$ 91	\$ 106	\$ 120
	\$ 0.06	\$ 28	\$ 53	\$ 74	\$ 92	\$ 112	\$ 135	\$ 164	\$ 193	\$ 220	\$ 246
	\$ 0.08	\$ 41	\$ 79	\$ 113	\$ 143	\$ 175	\$ 211	\$ 253	\$ 294	\$ 334	\$ 372
	\$ 0.10	\$ 55	\$ 106	\$ 152	\$ 194	\$ 238	\$ 286	\$ 342	\$ 396	\$ 448	\$ 498
	\$ 0.12	\$ 68	\$ 132	\$ 191	\$ 245	\$ 301	\$ 362	\$ 431	\$ 497	\$ 562	\$ 624
	\$ 0.14	\$ 82	\$ 158	\$ 230	\$ 296	\$ 364	\$ 438	\$ 519	\$ 599	\$ 676	\$ 750
	\$ 0.16	\$ 95	\$ 185	\$ 269	\$ 348	\$ 427	\$ 513	\$ 608	\$ 700	\$ 789	\$ 876
	\$ 0.18	\$ 108	\$ 211	\$ 308	\$ 399	\$ 490	\$ 589	\$ 697	\$ 802	\$ 903	\$ 1,002
	\$ 0.20	\$ 122	\$ 237	\$ 347	\$ 450	\$ 553	\$ 664	\$ 786	\$ 903	\$ 1,017	\$ 1,128

## Total Renewal Value of Operating Portfolio - 6 % discount rate

Deployed portfolio as of 9/30/17, \$ of NPV in millions, using a 6% discount rate

		Years of Renewal Obtained After Initial Contract Ends									
		1 years	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
Real PPA Rate at Renewal <sup>1</sup> (\$/kwh)	\$ 0.04	\$ 12	\$ 23	\$ 30	\$ 34	\$ 41	\$ 49	\$ 62	\$ 74	\$ 86	\$ 97
	\$ 0.06	\$ 24	\$ 45	\$ 62	\$ 77	\$ 93	\$ 112	\$ 135	\$ 157	\$ 179	\$ 199
	\$ 0.08	\$ 35	\$ 67	\$ 95	\$ 119	\$ 145	\$ 174	\$ 208	\$ 240	\$ 271	\$ 301
	\$ 0.10	\$ 46	\$ 89	\$ 127	\$ 162	\$ 198	\$ 237	\$ 281	\$ 324	\$ 364	\$ 403
	\$ 0.12	\$ 58	\$ 111	\$ 160	\$ 205	\$ 250	\$ 299	\$ 354	\$ 407	\$ 457	\$ 505
	\$ 0.14	\$ 69	\$ 133	\$ 193	\$ 247	\$ 302	\$ 362	\$ 427	\$ 490	\$ 550	\$ 607
	\$ 0.16	\$ 80	\$ 156	\$ 225	\$ 290	\$ 355	\$ 424	\$ 500	\$ 573	\$ 643	\$ 710
	\$ 0.18	\$ 92	\$ 178	\$ 258	\$ 333	\$ 407	\$ 487	\$ 573	\$ 656	\$ 735	\$ 812
	\$ 0.20	\$ 103	\$ 200	\$ 291	\$ 375	\$ 459	\$ 549	\$ 646	\$ 739	\$ 828	\$ 914

## Total Renewal Value of Operating Portfolio - 7 % discount rate

Deployed portfolio as of 9/30/17, \$ of NPV in millions, using a 7% discount rate

		Years of Renewal Obtained After Initial Contract Ends									
		1 years	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
Real PPA Rate at Renewal <sup>1</sup> (\$/kwh)	\$ 0.04	\$ 11	\$ 19	\$ 25	\$ 29	\$ 34	\$ 41	\$ 51	\$ 61	\$ 70	\$ 78
	\$ 0.06	\$ 20	\$ 38	\$ 52	\$ 64	\$ 77	\$ 93	\$ 111	\$ 129	\$ 146	\$ 161
	\$ 0.08	\$ 30	\$ 56	\$ 80	\$ 100	\$ 121	\$ 145	\$ 171	\$ 197	\$ 221	\$ 245
	\$ 0.10	\$ 39	\$ 75	\$ 107	\$ 136	\$ 165	\$ 196	\$ 232	\$ 265	\$ 297	\$ 328
	\$ 0.12	\$ 49	\$ 94	\$ 135	\$ 171	\$ 208	\$ 248	\$ 292	\$ 333	\$ 373	\$ 411
	\$ 0.14	\$ 59	\$ 113	\$ 162	\$ 207	\$ 252	\$ 300	\$ 352	\$ 402	\$ 449	\$ 494
	\$ 0.16	\$ 68	\$ 131	\$ 189	\$ 243	\$ 295	\$ 352	\$ 412	\$ 470	\$ 525	\$ 577
	\$ 0.18	\$ 78	\$ 150	\$ 217	\$ 278	\$ 339	\$ 404	\$ 472	\$ 538	\$ 600	\$ 660
	\$ 0.20	\$ 87	\$ 169	\$ 244	\$ 314	\$ 383	\$ 455	\$ 533	\$ 606	\$ 676	\$ 743

As an alternative presentation to estimate the potential value of Sunrun's currently deployed assets, we estimate the NPV of future cash flows under various scenarios, sensitizing the number of years of renewal obtained after the initial contract ends along with the PPA rates obtained in real terms and with various discount rates.

**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 deployed.

**Customers** refers to all residential homeowners (i) who have executed a Customer Agreement or cash sales agreement with us and (ii) for whom we have internal confirmation that the applicable solar energy system has reached notice to proceed or "NTP", net of cancellations.

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

**Gross Earning Assets** the net cash flows (discounted at 6%) we expect to receive during the initial 20-year term of our Customer Agreements for systems that have been deployed as of the measurement date, plus a discounted estimate of the value of the Customer Agreement renewal term or solar energy system purchase at the end of the initial term. Gross Earning Assets excludes estimated cash distributions to investors in consolidated joint ventures and estimated operating, maintenance and administrative expenses for systems deployed as of the measurement date. In calculating Gross Earning Assets, we deduct estimated cash distributions to our cash equity financing providers. In calculating Gross Earning Assets, 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 lease pass-through investors is more similar to the payment of interest to lenders than the internal rates of return (IRRs) paid to investors in other tax equity structures.

**Gross Earning Assets 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), for systems deployed as of the measurement date.

**Gross Earning Assets Value of Purchase or Renewal** is the forecasted net present value we would receive upon or following the expiration of the initial Customer Agreement term (either in the form of cash payments during any applicable renewal period or a system purchase at the end of the initial term), for systems deployed as of the measurement date.

**MW Booked** represents the aggregate megawatt production capacity of our solar energy systems, whether sold directly to customers or subject to an executed Customer Agreement, for which we have confirmation that the systems have reached NTP, 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.

**Net Earning Assets** represents Gross Earning Assets less both project level debt and Lease Pass-Through Financing Obligation, as of the same measurement date. Because estimated cash distributions to our cash equity financing partners are deducted from Gross Earning Assets, a proportional share of the corresponding project level debt is deducted from Net Earning Assets.

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

**NTP or Notice to Proceed** refers to our internal confirmation that a solar energy system has met our installation requirements for size, equipment and design.

**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.

**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 Gross Earning Assets, (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 Gross Earning Assets and (iv) finance proceeds from tax equity investors, excluding cash true-up payments or the value of asset contributions in lieu of cash true-up payments made to investors. Project Value includes contracted SRECs for all periods after July 1, 2015.

**Unlevered NPV** equals the difference between Project Value and estimated Creation Cost on a per watt basis.

