



Create a planet run by the sun.



National Grid Investment Summary – January 10, 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 expectations and performance, expectations regarding customers, retained value, project value and investment proceeds, as well as our ability to deliver on planned innovations such as BrightBox™.

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 tax equity and debt financing on acceptable terms; the availability of solar panels and other raw materials; changes in policies and regulations including net metering and interconnection limits or caps; 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. Accordingly, although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot guarantee that the future results, performance or events and circumstances reflected in these statements will be achieved or occur, and you should not rely on them 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, except as required by law.

Sunrun and National Grid, a Leading Global Utility, Form Multifaceted Strategic Partnership



Supplemental Information

- Sunrun and National Grid will form a partnership to invest in a portfolio of approximately 200 MW of residential solar assets across all of Sunrun's markets. National Grid has committed \$100 million in equity to this partnership. The investment partnership supports both traditional residential solar offerings and BrightBox™, Sunrun's solar + storage offering.
- The portfolio is expected to be geographically diverse and of comparable credit quality to Sunrun's fleet.
- Proceeds from the investment are expected to add approximately \$0.45 to \$0.55 per watt to Sunrun's typical advance rates from tax equity, back-leverage, upfront incentives and customer prepayments.
- Sunrun estimates it will receive total upfront proceeds of approximately 95% to 100% of contracted Project Value (i.e., consistent with the contracted Project Value and Estimated Retained Value calculations) for the assets financed through this transaction.
- Sunrun monetizes its underlying cash flows in transactions such as these, but retains ownership of the assets and continues to service the customers.
- The transaction finances approximately 25 years of customer cash flows, including cash flows from the sale of solar renewable energy credits (SRECs) and BrightBox™.
- Upside related to refinancings or stronger than expected asset performance will be shared between Sunrun and National Grid. In the event of underperformance, National Grid may have access to portfolio cash flows post year 25.
- Sunrun will account for National Grid's investment as a non-controlling interest (equity).
- Sunrun expects to place the back-leverage in the first half of 2017.

APPENDIX: Glossary



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.

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.

