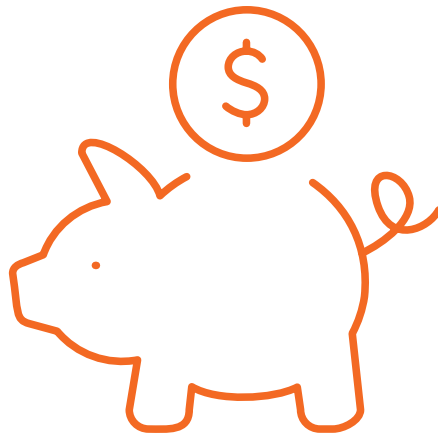




SAVING WITH SUNGEVITY



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How Does That *Really* Work?

We are here to help explain it. We understand you want to know what you can expect to save on your current electricity costs by going solar with Sungevity. That's why our solar quotes contain customized estimates of projected savings.

But, we don't stop there. We believe in transparency and want you to make an informed, confident decision about going solar. You should be so thrilled about how your Sungevity Energy System positively impacts your life that you'd recommend that your family and friends join you in the solar revolution with Sungevity.

Savings, Put Simply

Our data shows the price of solar energy was typically lower than the cost of electricity our customers bought from their utilities (based on average Sungevity solar system from 2010-2015). The sooner you lock into a predictable price for solar energy, the sooner you may see avoided costs from the trend of rising electricity rates.*

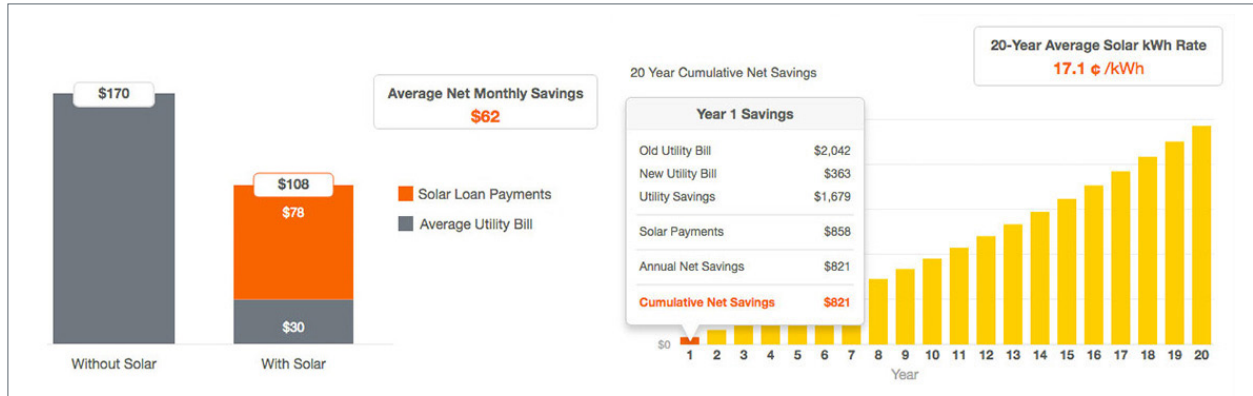
That said, your savings from going solar can vary from those estimated in your customized quote based on factors we can't control. These factors include future utility rates (which are up to your utility) and your home's future electricity usage (which is up to you). Ready to learn more? **Dive in below.**

And remember, while we want to be up-front about the factors that go into savings, we always provide customers with a **predictable price** for solar energy throughout the course of their solar contract. So all of our customers experience **more control** over their energy costs.

So we invite you to join thousands of Americans in the **Rooftop Revolution** by harnessing the power of the sun. And, at the same time, to gain enhanced control over your energy future today!

* More detail about the average residential electricity price per kWh nationwide, and for most utilities in Sungevity service areas, over the last 10 years can be found at <http://www.eia.gov/electricity/data.cfm#sales> (2015). Future utility rate increases and volatility are not guaranteed by Sungevity. Actual future utility rates, and fee structures are subject to change by your utility and other entities that Sungevity does not control.

So, How Does Sungevity Calculate Savings?



STEP 1: ANALYZING YOUR BILLS

The first step in calculating savings for our customized solar quotes is to analyze your current utility bills. Basically, our proprietary software looks at your utility bills from the prior 12 months, allows for seasonal variation, and incorporates both fixed and variable charges (to the extent applicable in your utility).

In analyzing your bills, we take into account several important factors including **fixed charges**, which cover the utility's cost of providing electricity service and would be incurred with or without solar. These can be in the form of a monthly charge, or a minimum dollar amount on your bill. And **variable charges**, which reflect the price of electricity usage that can be directly offset with solar.

Additionally, our bill analysis accounts for different rate structures:

- If your utility has **tiered** rates based on usage, we estimate your tiered rate based on the historical usage data provided by you.
- If your utility has **time-of-use** rates based when energy is used during the day, we estimate the time-of-use rate of a typical usage profile.
- If your utility has **non-standard** rate plans, for example, a different plan for Electric Vehicle users, we might be able to accommodate this as well – ask your solar consultant.
- Finally, your state or local government might offer credits that reduce your utility bill as an incentive for going solar. If it does, we account for these.

It's important to know that while we use current utility data, actual future utility rates, charges, and fee structures are subject to change by your utility and other entities which Sungevity does not control.

STEP 2: MAKING YEAR-ONE SAVINGS PROJECTIONS

Using these bill estimates, your home's historic electricity usage, and your Sungevity Energy System's projected solar production, we first calculate Year-One Savings Projections. Here's how that looks in our quotes:

Average Net Monthly Savings is an estimate of what you would save on electricity costs, on average, each month in the first year you go solar. To calculate it, we start with your yearly projected electricity costs without solar (what we call your Old Utility Bill) and subtract your yearly projected electricity costs with solar (Solar Payments and New Utility Bill). We then divide that number by 12 to give you a sense of what your average monthly savings in the first year after going solar would be, although in many instances your savings will vary each month due to seasonality and usage.

We then break this down for you. **Without Solar** shows an estimate of your average monthly electricity costs for the first year if you continued to purchase 100% of your electricity from your utility.

With Solar shows an estimate of your average monthly electricity costs for the first year with your new energy mix. You would be generating your own electricity with predictable solar payments and purchasing less electricity from your utility, resulting in a lower average monthly utility electricity bill.

STEP 3: MAKING 20-YEAR SAVINGS PROJECTIONS

To help you think about solar in the long run, we also calculate customized 20-year savings estimates (including Annual and Cumulative Net Savings for each year). To this, we extrapolate from your Year-One Savings Projections.

Specifically, we adjust your "Old Utility Bill" and "New Utility Bill" for each year based on projected Annual Utility Rate Increases to arrive at your "Utility Savings." We then subtract your **Solar Payments** and add in any **Solar Incentives** that you may be eligible to receive based on the area you live in and what type of solar agreement you have chosen.

Annual utility rate increases are future projections derived from publicly available data. For most utilities, Sungevity bases its projections on a state-by-state analysis of the last ten years of available data regarding utility rates provided by the United States Energy Information Administration ("EIA").

For Investor-Owned Utilities in California, including PG&E, SDGE, and SCE, we use 3%, a figure adhered to by stakeholders in the Net Energy Metering proceeding, R14-07-002.

Importantly, utility rate increases are projections and are not guaranteed by Sungevity. This is because actual future utility rates, charges, and fee structures are subject to change by your utility and other entities which Sungevity does not control. Of course, that highlights one of the biggest benefits of going solar with Sungevity — **unlike with your utility, you'll be paying a predictable price for solar energy from your Sungevity Energy System.**

Most importantly, **Solar Payments** is our estimate of what you will pay for solar energy in a given year.** Here's how that works:

Options where you host the system

- When you choose to lease the Sungevity Energy System, you get a set monthly payment, subject any annual escalator you select. We multiply this payment by 12 to get your annual total.
- When you choose a Sungevity Energy System power purchase agreement (PPA), you get a set solar rate per kWh, subject to any annual escalator you select. We multiply this rate by your estimated annual solar production to get your annual total.
- Production will vary over time due to a number of factors, including weather and shading, but we plan for this in your system design. We also build in an annual 0.5% degradation rate in estimating your system's future production.

Options where you own the system

- When you choose a cash purchase of the Sungevity Energy System, your only solar payment is the Upfront System Cost, which is paid in Year 1.
- When you choose to finance your purchase of a Sungevity Energy System with a loan from Solar Mosaic, Inc. loan, we sync up with Mosaic to estimate your Solar Payments. This includes your Monthly Loan Payments as well as a pre-payment in the amount of 30% of the initial loan amount that you may optionally make within the first 18 months of the loan.***

** Your monthly payments, and therefore your annual solar payments, may be higher if you choose to pay by check or by phone. Please review your solar agreement for more information.

*** Sungevity is not a lender. All loan terms are estimates. Please refer to your Truth in Lending Disclosure and loan documents for final payment terms.

Solar Incentives refers to estimated financial incentives that may be available to you if you purchase your Sungevity Energy System. These include the federal residential tax credit and state tax credits, state and local rebates, performance-based incentives, and solar renewable energy credits (to the extent generally available in your state and utility). These incentives may need to be applied for by you, are subject to change by entities outside of our control, and are not guaranteed by Sungevity.

- If you select a lease or power purchase agreement instead, solar incentives that are available to Sungevity as the system owner will be baked into the price you pay for your solar agreement.

Hey Wait, Do Seasons Impact Savings?

As the amount of daylight changes with the weather and seasons, your solar production will also change. Solar panels produce more energy in the long days of summer than on shorter winter days. Similarly, sunny days generate more energy than cloudy days. It's normal to see seasonal variation in your solar production! That's why we analyze historical weather patterns in your area to design your system. Want to know even more? [Check out this informative blog post.](#)

If you select a power purchase agreement with a monthly payment plan, seasonality will also show up in your solar bills. You'd pay a set amount for each kWh your system actually produces, and this production level will vary from month to month. This means — generally — that your solar bill from July will be higher than in December because your system generates more solar energy in the summer. Of course, you'll also pay less when your system is producing less!

How Sungevity Helps You Take Control

Remember that, even though we account for seasonality and for future changes in production, your savings will vary based on factors we can't control, including actual future utility rates, charges, fee structures, and your future electricity usage.

But, unlike your utility, we do help you gain more control over your future energy costs by providing you with a predictable price for solar energy. For example:

- With a leased Sungevity Energy System, you get a guaranteed amount of solar energy each year for 20 years for a set monthly payment.
- With a power purchase agreement, you pay a set price for each unit of solar energy the Sungevity Energy System produces for 20 years; it's pay as you go for a predictable price.
- With a purchased Sungevity Energy System, you get a guaranteed amount of solar energy each year for 20 years for the upfront purchase price.
- With a purchased system, you also continue to own the system, and the energy it produces, when those 20 years are over.

So, are you ready to take more control over your energy future?

**Reach out to one of our professional Solar Consultants
about a Sungevity Energy System today!**