



ASU Sustainable Cities Network - Solar & Energy Efficiency Workgroup

August 13, 2013



Agenda

- About SolarCity
- Electricity Rates and Trends
- Government Incentives
- Financing Options
- Client Case Studies

About SolarCity

SolarCity

- **The leading solar service provider in the U.S.**
 - More than 30,000 projects completed or underway
 - Serving 14 states nationwide—AZ, CA, CO, CT, DE, HI, MA, MD, NJ, NY, OR, PA, TX, WA and Washington DC and Ontario, Canada
- **1,800+ Employees**
- **Raised \$1.4 billion in structured financing**

High Tech



Manufacturing



Government



Education



Retail



Agriculture



Nonprofit



Multifamily Housing



Military



Benefits of SolarCity's Integrated Approach

- **SolarCity provides a single source for solar financing, engineering design, installation, monitoring and maintenance**
- **Better customer experience with single point of contact**
 - Reduce financing risk
 - Access to market-leading, most appropriate and cost-effective technology
 - In-house system design for quality control
 - Proprietary monitoring technology



**Project
Development**



Financing



Engineering



Installation

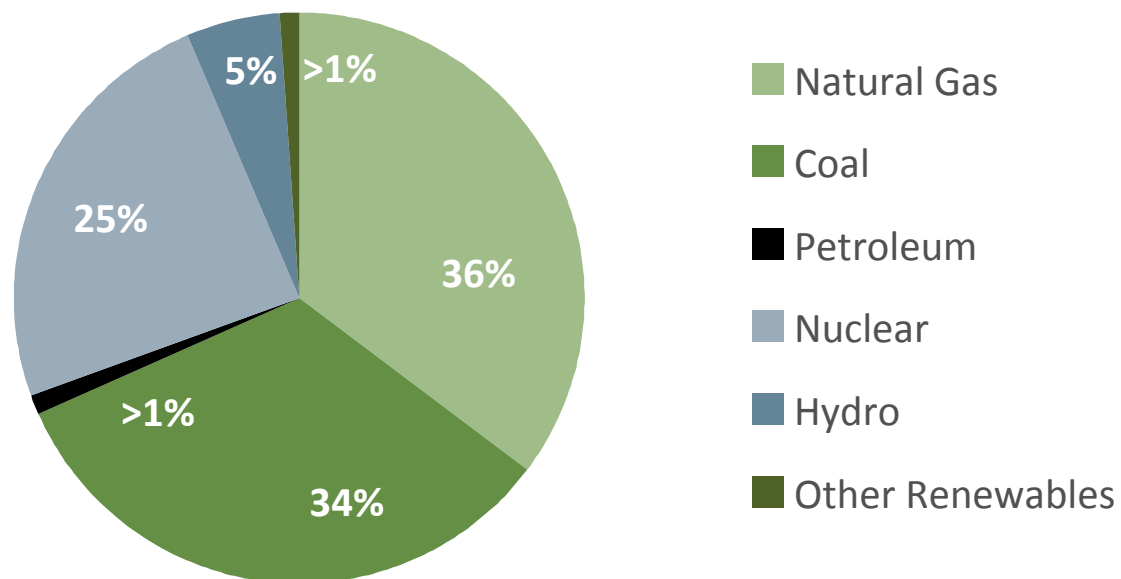


**Monitoring &
Maintenance**

Electricity Rates & Trends

Arizona Electricity Generation Mix

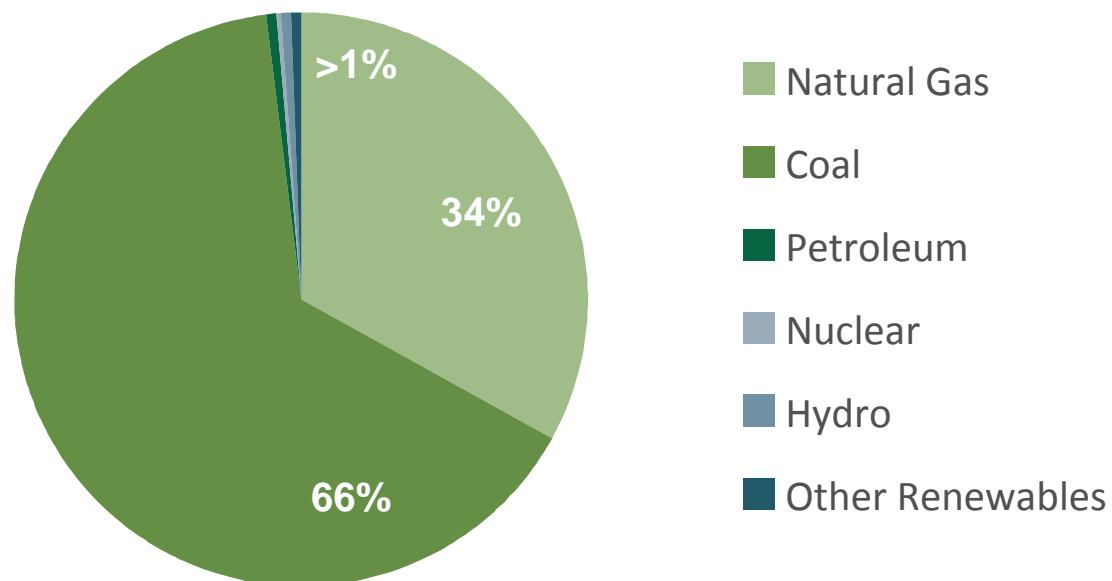
- Arizona generates over 70% of its electricity from fossil fuels



Data Source: Energy Information Administration, Jul 10

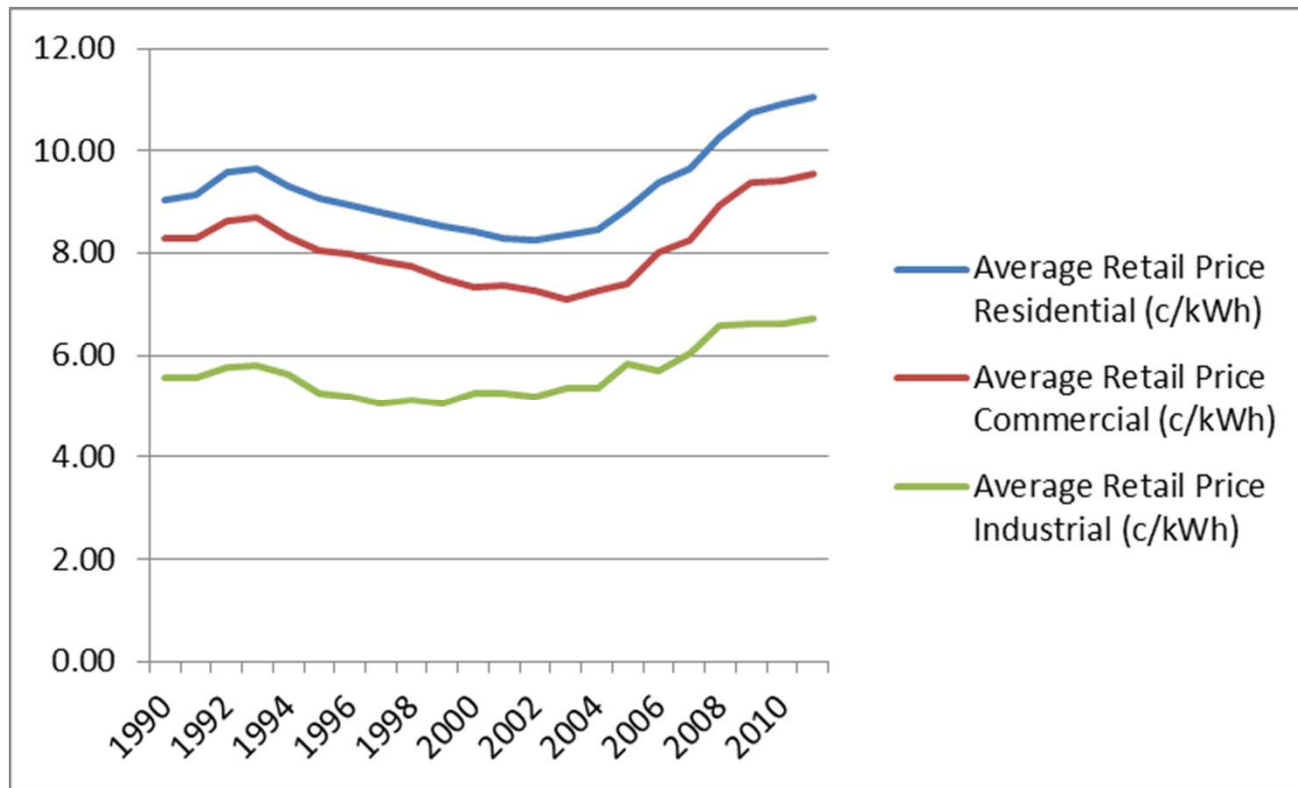
TEP Electricity Generation Mix

- TEP generates almost 100% of its electricity from fossil fuels



Data Source: Unisource, March 2010

Increasing Cost of Electricity in Arizona

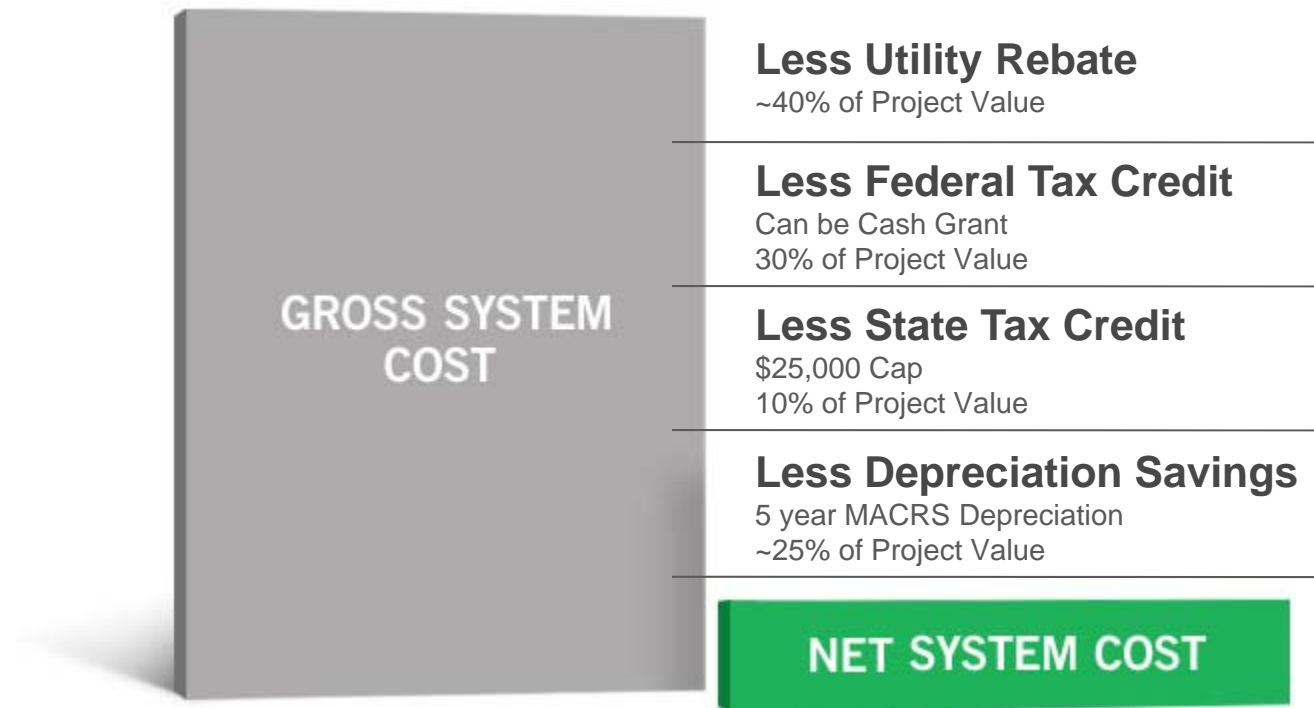


Data Source: Energy Information Administration

Government Incentives

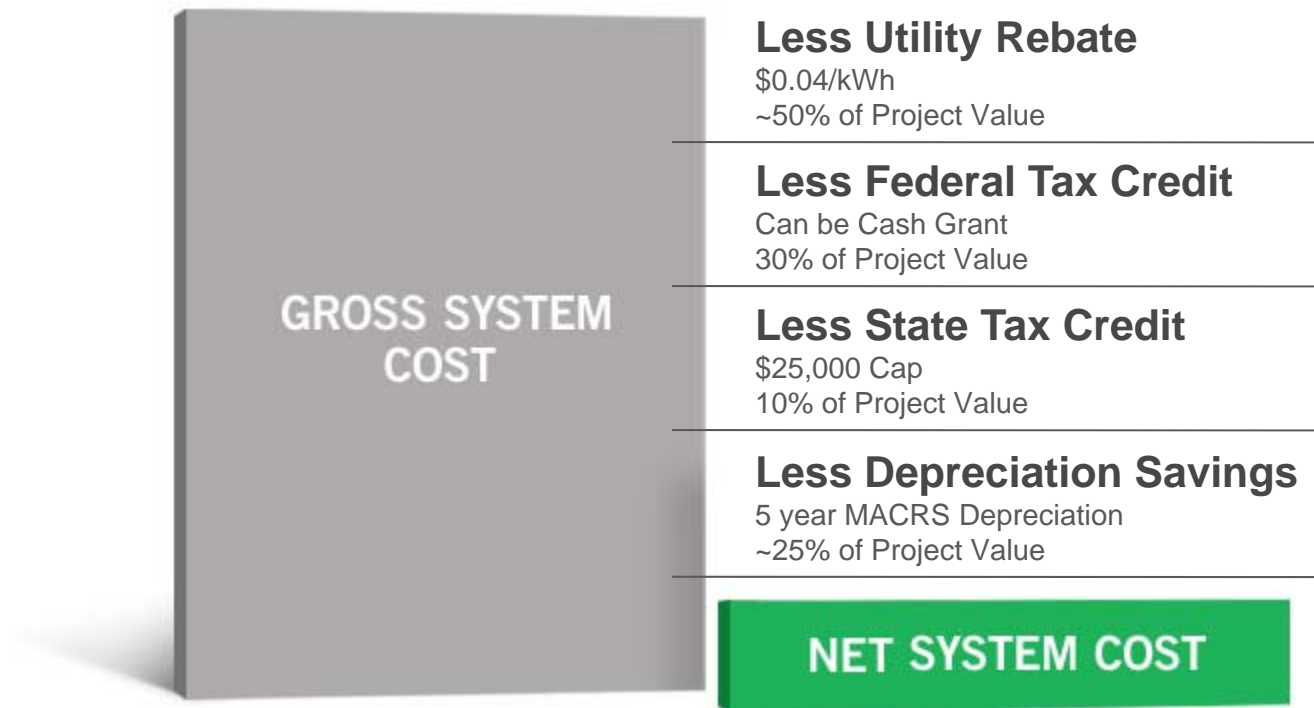
AZ Government Incentives (APS Commercial)

Government incentives can reduce the system cost by as much as 100%



AZ Government Incentives (SRP Commercial)

Government incentives can reduce the system cost by as much as 100%



Financing Options

How a Power Purchase Agreement (PPA) Works

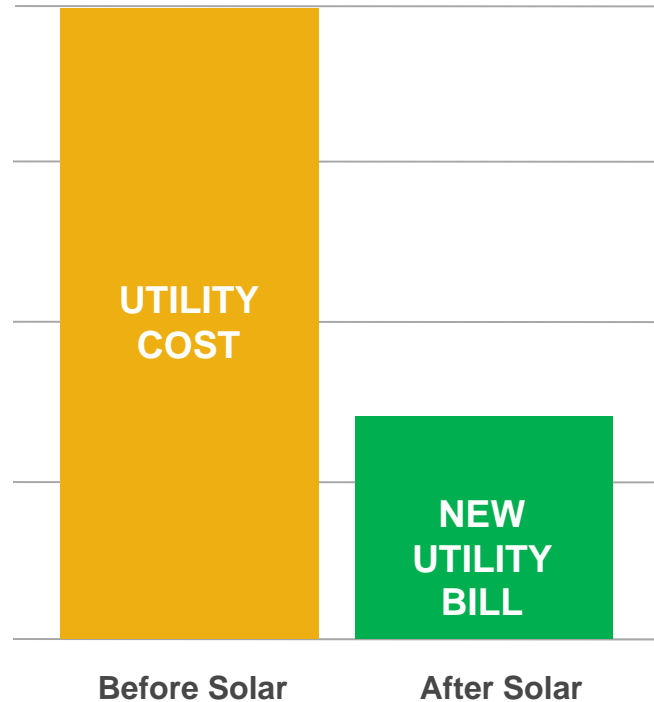
- SolarCity installs & maintains a solar system on your site
 - You simply “host” the system and only pay for the electricity you produce and use
- No upfront cost and immediate payback
 - SolarCity can fully leverage gov’t incentives and depreciation which you may not qualify for on your own. This lowers the overall PPA price.
- Reduced electricity costs
 - New lower utility bill + PPA payment < old utility bill
- Lock in electricity rates for the next 20 years
 - Protect against utility rate escalation and uncertainty



Purchase vs. Power Purchase Agreement

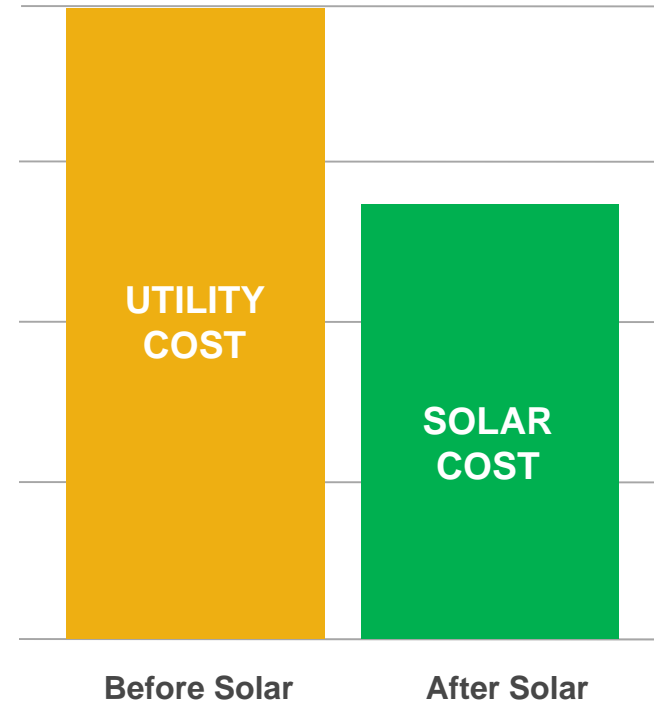
■ Purchase System

- Energy savings pay off cost of system over time



■ Power Purchase Agreement

- Free installation and lower rate for solar electricity than current utility rate



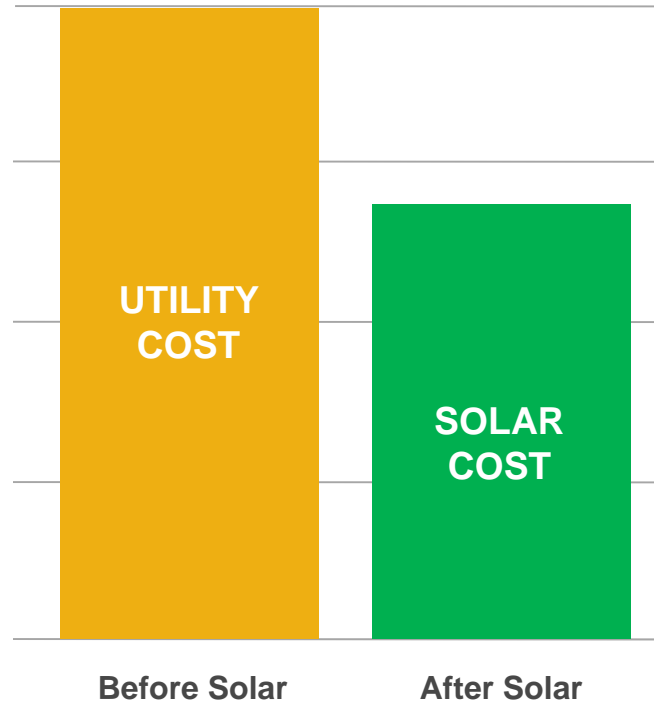
Cash Purchase vs. Power Purchase Agreement

	Cash Purchase	PPA
Financial Considerations Upfront Cost Monthly Solar Cost	Full Price \$0	\$0 Only pay for power used each month
Government Incentives Federal tax credit State, local & utility rebates Depreciation benefit	30% credit Paid to owner 5 year to MACRS	All incentives included to lower price
Premium Services Monitoring service Repairs under warranty O&M responsibility	5 years 10 years Company	20 years 20 years SolarCity
System Considerations System ownership Option to upgrade later	Own for 30+ years No	"Host" for 20 years Yes

Pre-pay Power Purchase Agreement

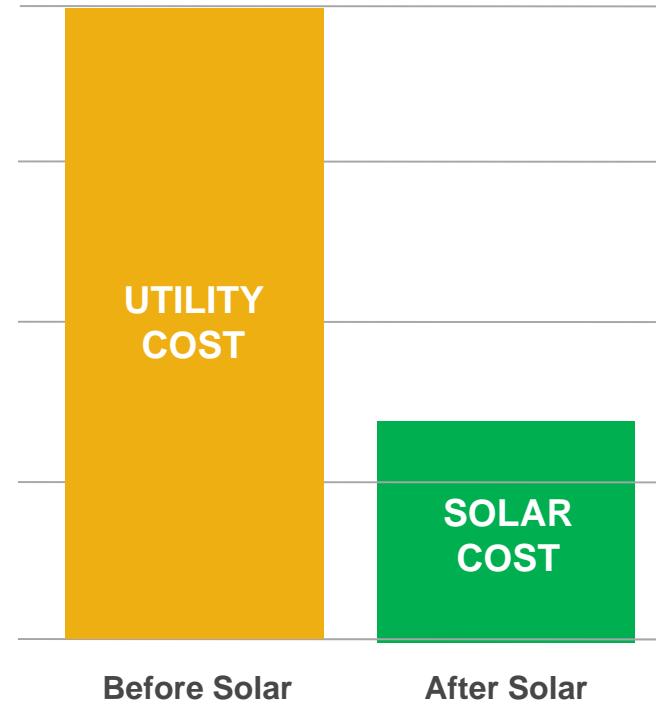
■ PPA

- Free installation and lower rate for solar electricity than current utility rate



■ Pre-Pay PPA

- Buy system output up front to receive discounted rate



SolarCity Client Case Studies

City of Chandler – City Hall Parking Garage



City of Chandler – Police & Courts Facility



Navajo County



City of Globe



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