



DER Rate Design & NEM

*Affordable, Clean, Reliable Energy.
Creating System For the People, By the People.*

Amy Heart, Sunrun Director Public Policy
NASUCA 2018

Create a planet run by the sun

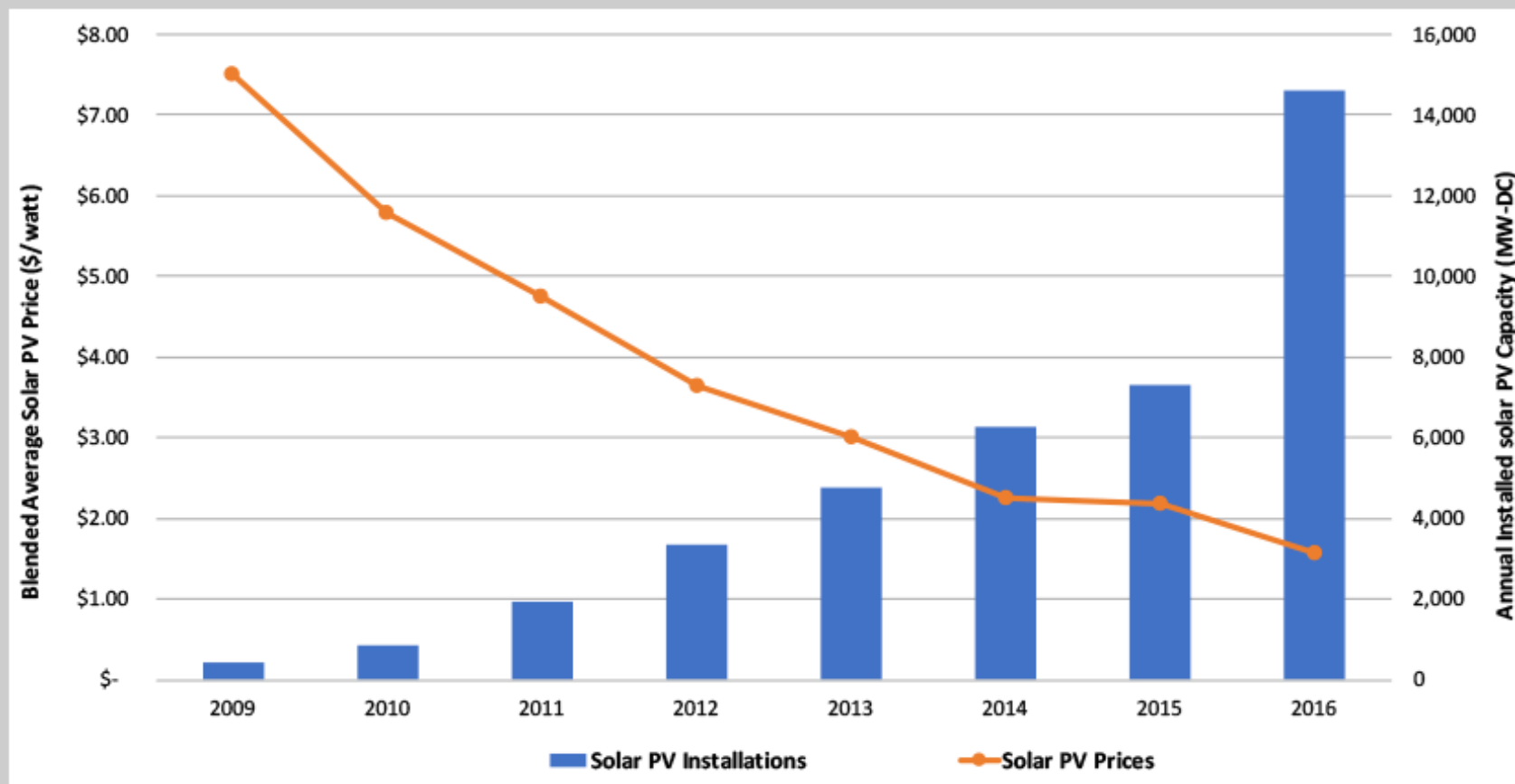


Actual neighborhood of Sunrun customer homes

Decreasing Costs



Cost dropped by more than 70% since 2010 = new markets, more solutions



Increasing Accessibility



- Home PV adopted by more moderate income homeowners.
- Strong policies + financing resulting in investment by below median income households

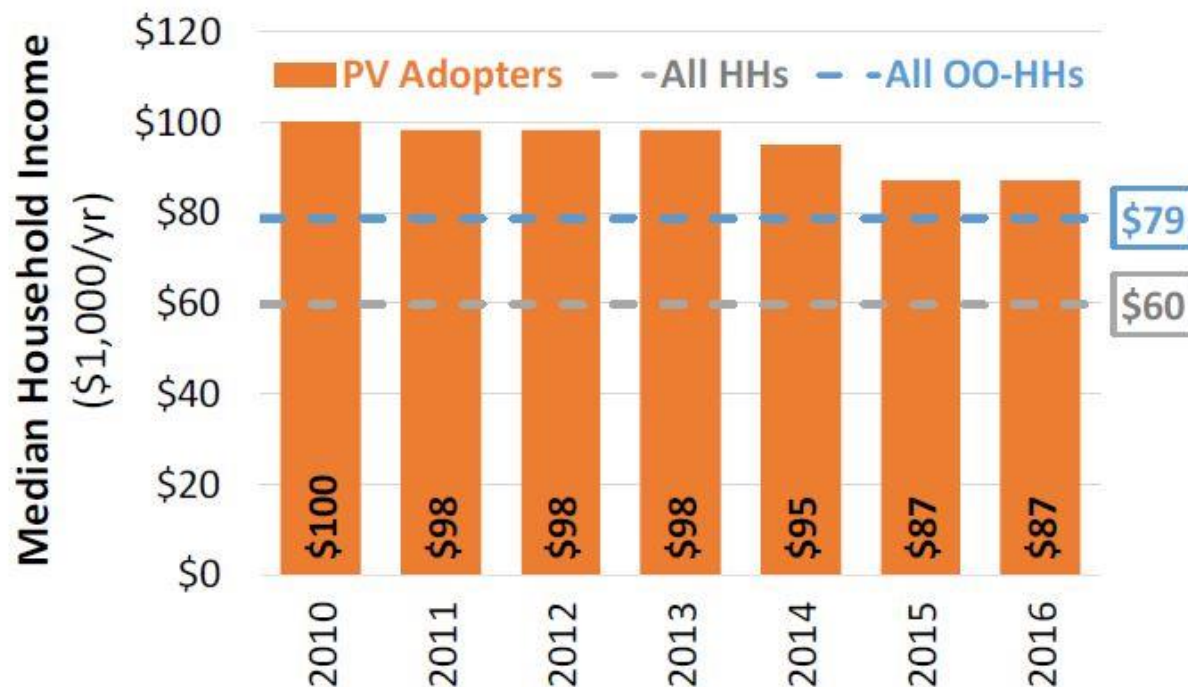


Figure 2. Annual PV-adopter median incomes across all states in the sample

Increasing Utility Interest



Utilities now want in. But at what cost? Are we throwing solutions away?



Consumers Energy's community solar array at Grand Valley State University.

Michigan utility plans major shift from coal to solar in coming decades

Utility CapEx Could Explode Rates



THE EXPLOSION IN TRANSMISSION INVESTMENT OVER THE PAST DECADE

Investment In Transmission Infrastructure by Major Utilities (1996-2016)

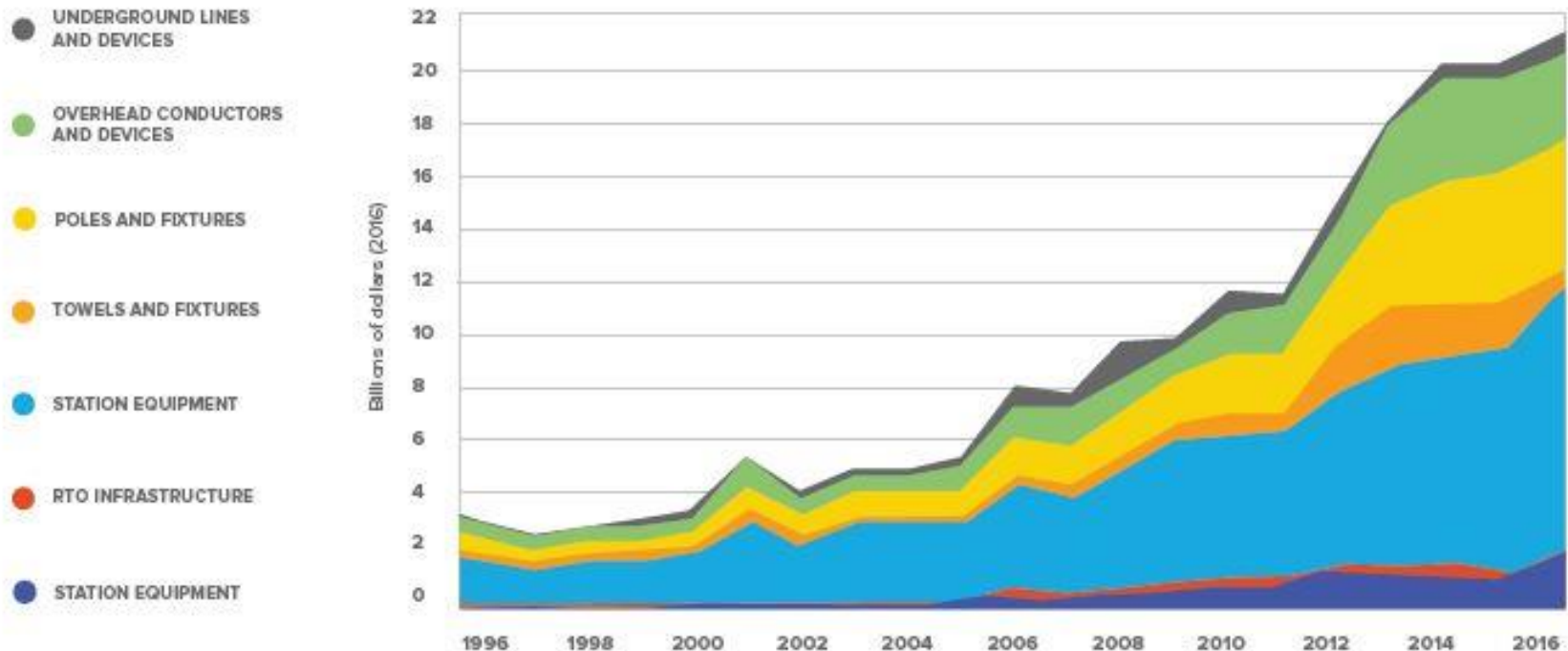


Exhibit 4

Utility CapEx Could Explode Rates



- By 2030, utility CapEx spending could increase everyone's energy prices roughly **20 times** more than solar net metering

Net-Metered PV: Impact at *current* penetration levels, across a range of VoS assumptions, with purely volumetric rates (U.S. average)

Net-Metered PV: Impact at *projected* 2030 penetration levels, across a range of VoS assumptions, with purely volumetric rates (U.S. average)

Net-Metered PV: Impact at *10% penetration*, across a range of VoS assumptions, with purely volumetric rates (high-pen. utility, U.S. avg. price)

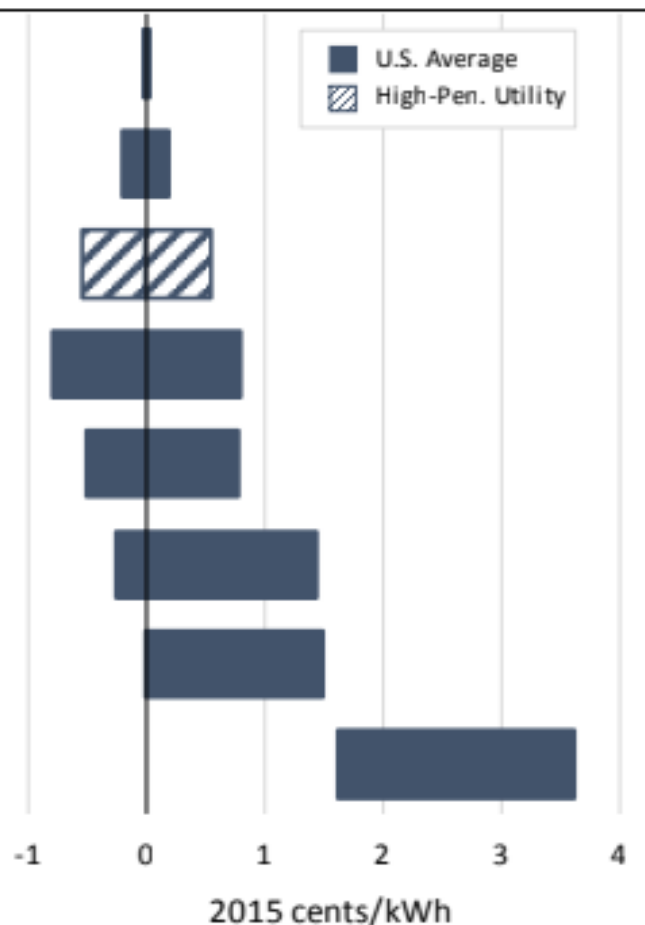
Energy Efficiency: Impact of projected 2015-2030 EE savings, if avoided costs are valued at the same rate as solar (U.S. average)

Natural Gas: Range in retail electricity price across 10th/90th percentile gas price confidence intervals for 2030 (U.S. average)

RPS: Impact in 2030 across low and high cost scenario assumptions (U.S. average, among RPS states)

Carbon: Impact of CPP in 2030 across multiple studies, each considering multiple implementation scenarios (U.S. average)

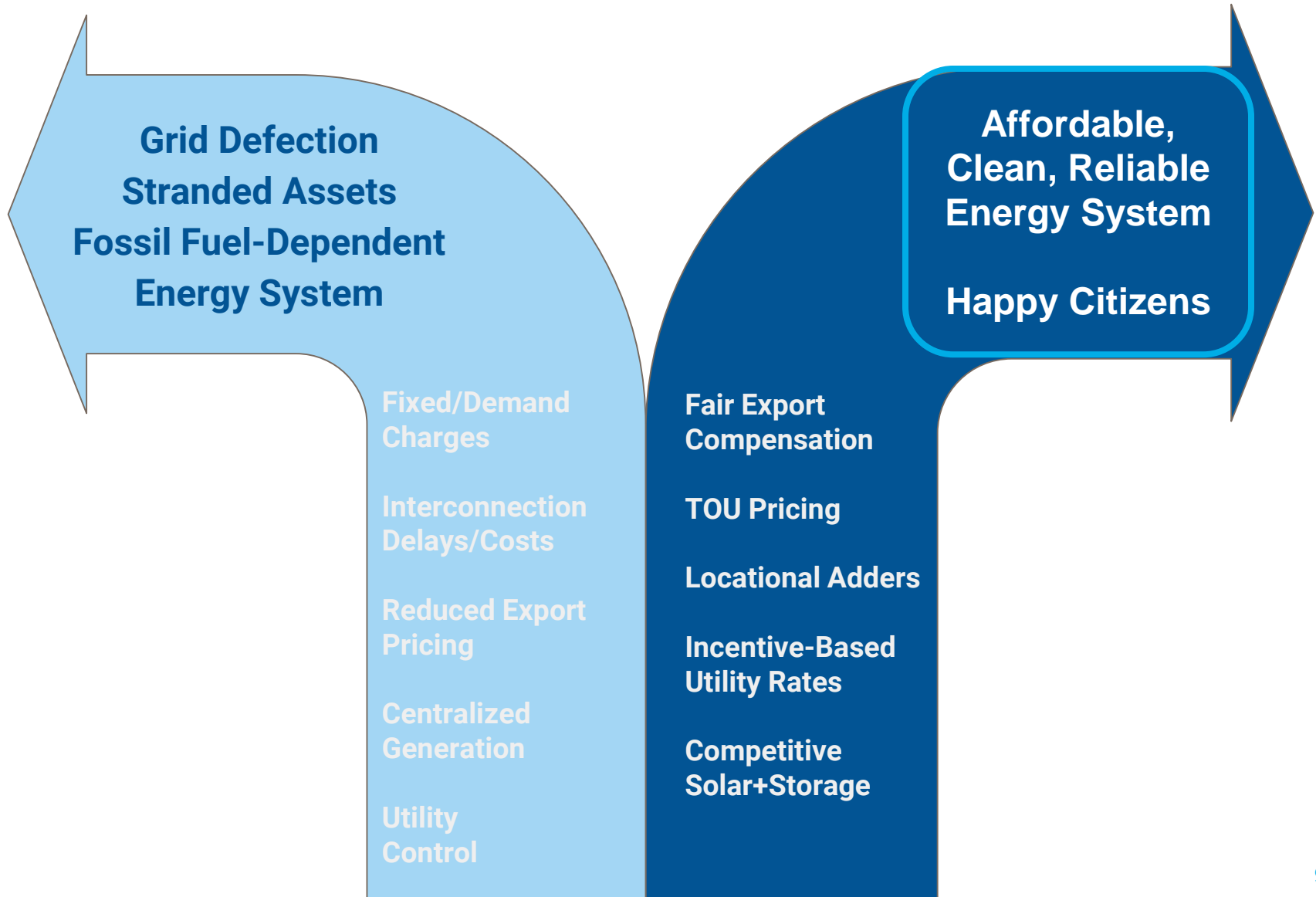
CapEx: Gross impact of electric-industry CapEx through 2030, across range of CapEx trajectories and WACC (U.S. average)



Two Potential Futures



Two Potential Futures



Customer-Focused Energy Systems Getting it Right



1

Let the **competitive free market** work
to **deliver innovation and affordability**

New York | DC | Nevada | New Hampshire



Customer-Focused Energy Systems Getting it Right



2

Maintain **fair compensation** with simple, stable rates to **deliver affordable energy**

California | Illinois | Colorado



Customer-Focused Energy Systems Getting it Right



3

Support **low-income programs** so more Americans can benefit from more affordable, cleaner, reliable energy.

Illinois | DC | California



Customer-Focused Energy Systems Getting it Right



4

Accelerate a **better energy system** by creating incentives for **home batteries**.

Vermont | California | Massachusetts | Puerto Rico



Citizen-Focused Energy Future



AFFORDABLE, CLEAN,
RELIABLE ENERGY

A better system created by
the people, for the people.



Follow Us: @sunrun
@lynnjurich

@theamyheart