

Solar Business Models

Residential



5 kW

1 home

Commercial



500 kW – 3 MW

100 – 300 homes

Utility Scale

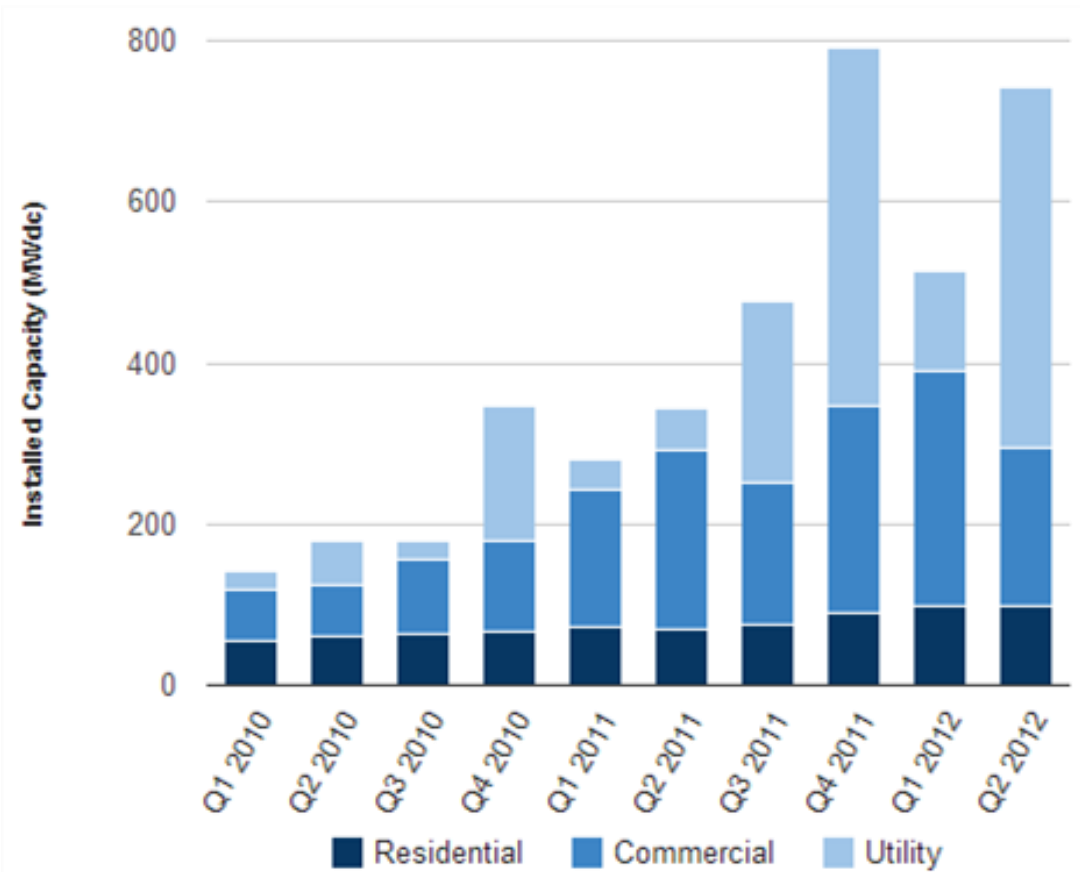


>1 MW

>200 homes

U.S. Solar PV Capacity Has Increased Over Time

- Capacity has increased across all business models
- Utility scale solar has seen the fastest growth
- Commercial has been the largest segment consistently



Development and Business Models



Utility Scale

LCOE	18 cents / KWh
Avoided Cost	4-8 cents / KWh

Grid based, power utility off-take

- Cost, cost, cost-wholesale power price market
- Requires utility grid distribution
- Very strong off take negotiator (utility)
 - Generally drives project size up

Development and Business Models



Commercial & Industrial

LCOE	20 cents / KWh
Avoided Cost	8-15 cents / KWh

Commercial & Industrial On-site Solar

- Direct power supply to heavy users
- Compete with Commercial/Industrial price of power
- Sites have varying levels of solar negotiating expertise
- Sites are not always pursuing the lowest cost PPA
- Bigger is still better
- More important in land-constrained regions

Development and Business Models



Residential

LCOE	34 cents / KWh
Avoided Cost	9 - 17 cents / KWh

Residential Solar

- Direct power supply to homes
- Compete with residential price of power
- Bigger is better
- 25% of homes have “the right stuff”
- Options: Lease, Buy it yourself, PPA