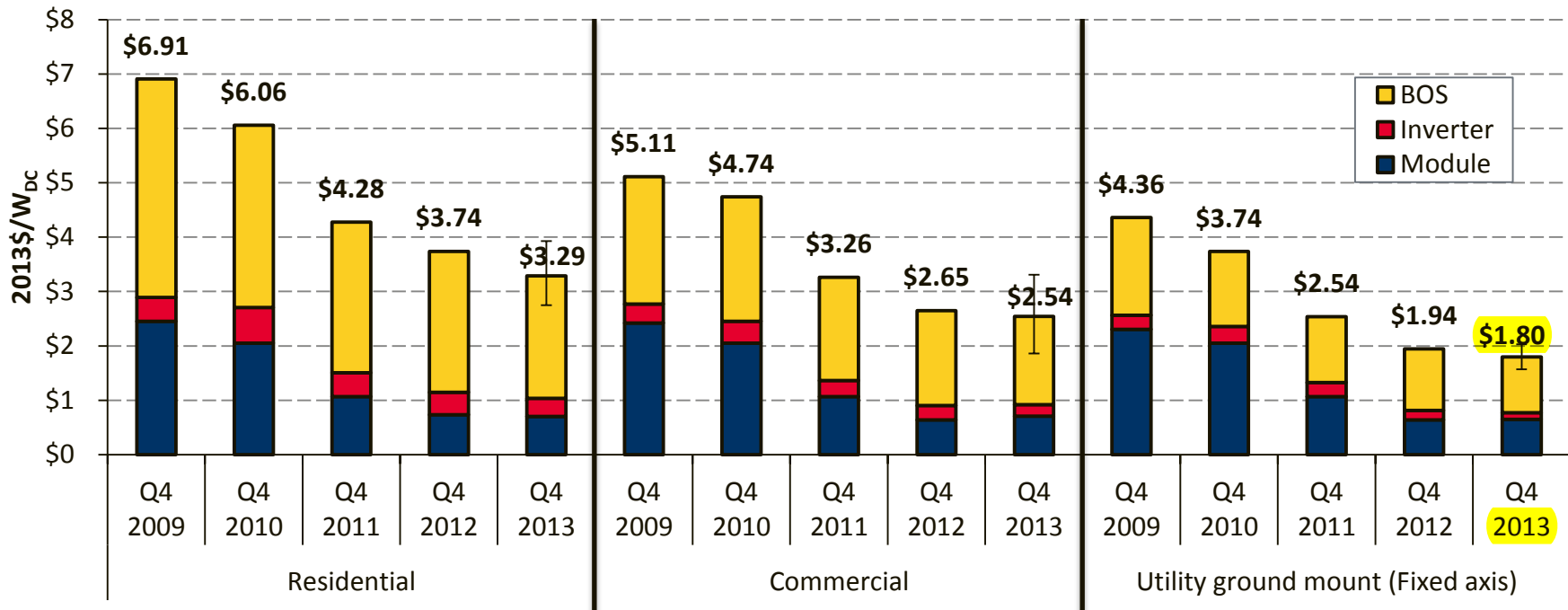


Bottom-up Modeled System Price of PV Systems by Sector, Q4 '09 - Q4 '13



- Since Q4 2009, modeled system prices fell between 16% – 19% per year
 - 1/2 - 2/3 of reduction attributed to module price reductions
- From Q4 '12 to Q4 '13, modeled system prices fell between \$0.07/W - \$0.44/W, or 3-12%
- Q4 2013 bottom-up modeled residential system price of \$3.29/W is consistent with leading residential installers' pricing, such as SolarCity's reported Q2 2014 costs (\$3.03/W), plus a reasonable operating profit margin.

Note: Standard crystalline silicon modules (13.5% efficiency in Q4 2009 to 15.0% in Q4 2013). System sizes: residential: 5 kW in Q4 2009 through Q4 2013; commercial: 202 kW in Q4 2009 to 223 kW in Q4 2012 (200 kW in Q4 2013); utility-scale: 175 MW in Q4 2009 to 185 MW to Q4 2013). Modeled system sizes in the residential and commercial rooftop sectors were chosen based on typical system sizes, then adjusted for optimal inverter configuration. System sizing for utility-scale benchmarks were chosen for comparison purposes against pricing reported from DOE's Energy Information Administration (2010).

Source: SolarCity. (2014). "Cost Calculation Methodology." Accessed September 2, 2014: <http://investors.solarcity.com/events.cfm>.