SolarCity

FEBRUARY 2016

Investor Presentation

Forward-Looking Statements

This presentation contains forward-looking statements that involve risks and uncertainties, including statements regarding SolarCity's business and financial strategies; our operational growth and expansion opportunities; the deployment and installation of megawatts; future bookings; financial strategies for cash generation and increasing shareholder value; forecasted cash flows from existing Energy Contracts, including related assumptions as to energy production, future operations and maintenance expenses, cancellation rates, renewal rates, default rates, amounts of performance based incentives and other identified assumptions; our forecast of the value of megawatts deployed; our projections related to decreases in cost per Watt, including our plans to decrease our sales cost per Watt by eliminating higher cost channels, utilizing more efficient channels, and other initiatives; the impact of proprietary technology in decreasing our installation costs, our expectations regarding future hardware pricing, our expectations regarding the maturing efficiency of our operations centers, and our plans to vertically integrate our commercial product offerings along with related projections regarding installation efficiencies and cost savings; our plans to achieve manufacturing economies of scale and associated manufacturing cost reductions, including our 2017 goal to produce modules at a cost of $0.55 per Watt with a module efficiency of 21-22%; our expectations regarding the Riverbend agreement, the development and construction of the Riverbend facility, the anticipated timing and expense related to acquisition of manufacturing equipment, and related assumptions regarding capital and operating expenses and the performance of our manufacturing operations; our goal of not owning manufacturing assets on our balance sheet; our expectations as to future regulatory and policy outcomes affecting our industry; our projections regarding the future pricing of utility-generated electricity, including as a result of infrastructure capital expenses, and assumptions related to customer savings; our liquidity and forecasted access to capital, including assumptions related to the terms of future financing (including risk premiums and interest rates), the terms and frequency of future securities offerings, the sufficiency of committed available financing, and our expectations regarding the refinancing of existing debt obligations, including our aggregation facilities and short-term Solar Bonds; our projections regarding the structure of our tax equity financing structures; the amount of megawatts that can be installed and deployed based on committed available financing; the success of our product development efforts and customer preferences, including the potential and performance of residential and commercial energy storage products and other new product offerings; our assumptions regarding future tax obligations; and assumptions relating to the foregoing.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. Forward-looking statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. In order to meet our projections, we will need to expand our workforce and increase the efficiency of our sales and installation operations. Additional key risks and uncertainties include the effect of electric utility industry regulations, net metering and related policies; the availability and amount of rebates, tax credits and other financial incentives; continued confidence in our tax equity investors and lending partners in the quality of our solar assets; the availability and amount of financing from fund investors; the level of demand for our solar energy systems; the availability of a sufficient, timely, and cost-effective supply of solar panels and balance of system components in each of our geographies; our ability to successfully integrate acquired businesses, operations and personnel; our ability to achieve manufacturing economies of scale and associated cost reductions, our expectations regarding the Riverbend agreement, the development and construction of the Riverbend facility, the anticipated timing and expense related to acquisition of manufacturing equipment, and related assumptions regarding capital and operating expenses and the performance of our manufacturing operations; the effects of existing and future tariffs and other trade barriers; changes in federal tax treatment; the retail price of utility-generated electricity or the availability of alternative energy sources; risks associated with SolarCity's rapid growth; risks associated with international expansion; the success of our product development efforts and customer preferences; risks that consumers who have executed energy contracts may seek to cancel those contracts; assumptions as to the value under energy contracts and contract renewal rates and terms, including applicable net present values, performance-based incentives, and other rebates, credits and expenses; changes in strategic planning decisions by management or reallocation of internal resources; and general market, political, economic and business conditions. You should read the section entitled "Risk Factors" in our most recent Annual Report on Form 10-K and subsequent Current Reports on Form 8-K, which have been filed with the Securities and Exchange Commission, which identify certain of these and additional risks and uncertainties. We do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as otherwise required by law.

Quarterly Overview

Metric	Unit	2014				2015			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
U.S. Power Capacity:									
U.S. Installed Generating Capacity	GW-AC	1,161	1,169	1,172	1,177	1,182	1,171	1,176	1,169
Distributed Solar as % of U.S. Generating Capacity	%	0.6%	0.6%	0.7%	0.7%	0.8%	0.9%	0.9%	TBD
U.S. Installed Distributed Solar Capacity	GW-DC	6.7	7.3	7.9	8.6	9.2	10.0	10.8	TBD
New U.S. Installed Distributed Solar Capacity	MW-DC	483	564	559	719	682	697	796	TBD
SCTY Units:									
SCTY % of New U.S. Distributed Solar Capacity	%	17%	19%	25%	25%	22%	27%	32%	TBD
MW Installed	**MW**	**82**	**107**	**137**	**177**	**153**	**189**	**256**	**272**
MW Deployed	**MW**	**82**	**107**	**137**	**176**	**143**	**177**	**205**	**253**
MW PTO'd	MW	83	79	113	138	160	156	203	194
Energy Contract Pricing of New Deployments (Yr. 1)	$/kWh	$0.12	$0.12	$0.12	$0.12	$0.13	$0.13	$0.13	$0.12
Annual Escalator	%	1.7%	1.9%	1.9%	1.9%	2.1%	2.1%	2.2%	2.0%
SREC (5-Yr. Portfolio Average)	$/kWh	$0.01	$0.01	$0.02	$0.02	$0.02	$0.02	$0.02	$0.03
Energy Harvest (Yr. 1)	kWh/kW	1,425	1,416	1,406	1,402	1,404	1,379	1,352	1,347
Value Generation and Monetization:									
Asset Financing in Period (including rebates)*	$/W	$2.69	$2.04	$2.62	$2.28	$2.35	$2.33	$3.20	$2.40
Contracted Value of MW Deployed in Period	$/W	$3.68	$3.55	$3.37	$3.24	$3.44	$3.49	$3.50	$3.32
Renewal Value of MW Deployed in Period	$/W	$0.38	$0.40	$0.38	$0.34	$0.33	$0.34	$0.34	$0.32
Total Value of MW Deployed in Period	**$/W**	**$4.06**	**$3.95**	**$3.75**	**$3.58**	**$3.77**	**$3.83**	**$3.86**	**$3.64**
Cost per Watt:**									
Sales	$/W	$0.51	$0.47	$0.49	$0.57	$0.59	$0.53	$0.64	$0.56
Installation	$/W	$2.44	$2.28	$2.19	$2.09	$2.09	$2.13	$1.92	$1.90
G&A	$/W	$0.30	$0.26	$0.21	$0.20	$0.27	$0.24	$0.27	$0.25
Total Cost per Watt	**$/W**	**$3.25**	**$3.01**	**$2.89**	**$2.86**	**$2.95**	**$2.91**	**$2.84**	**$2.71**
R&D Expenses	$M	($1.9)	($3.0)	($4.2)	($10.0)	($12.1)	($12.4)	($17.7)	($22.8)
Capital Expenditures	$M	($4.7)	($2.9)	($5.8)	($9.5)	($30.5)	($71.6)	($45.7)	($28.8)
Change in Working Capital Q/Q	$M	$28.3	$22.7	$37.0	($38.1)	($72.3)	($31.7)	($41.7)	($38.1)
Debt and Cash:									
Debt – Recourse	$M	($153.4)	($204.7)	($154.0)	($143.7)	($284.2)	($425.0)	($522.0)	($602.5)
Debt – Convertible	$M	($230.0)	($230.0)	($730.0)	($796.0)	($796.0)	($796.0)	($796.0)	($909.0)
Cash & Short-Term Investments	$M	$519.6	$405.3	$733.5	$642.7	$575.8	$489.1	$418.4	$393.9
Current Portfolio Value									
Cumulative MW Deployed under Energy Contracts – EoP	GW	0.6	0.7	0.8	1.0	1.1	1.3	1.5	1.7
PowerCo Portfolio's Pre-Tax Unlevered NPV remaining	$M	$1.030	$1,212	$1,445	$1,735	$2,032	$2,391	$2,790	$3,235
Debt – Non-Recourse	$M	($206)	($324)	($448)	($485)	($617)	($731)	($1,013)	($1,242)
PowerCo portfolio Pre-Tax Unlevered NPV Less Debt	**$M**	**$824**	**$888**	**$997**	**$1,250**	**$1,415**	**$1,660**	**$1,777**	**$1,993**

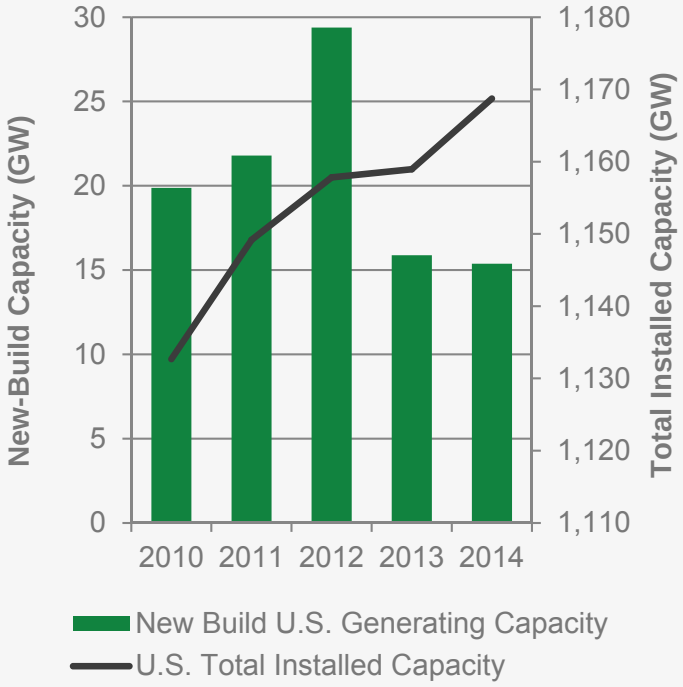
* Asset Financing in Period is based on our quarterly calculation methodology, which we detail in a memo on our website.
** Cost per Watt is based on our quarterly cost calculation methodology, which we detail in a memo on our website.

SolarCity

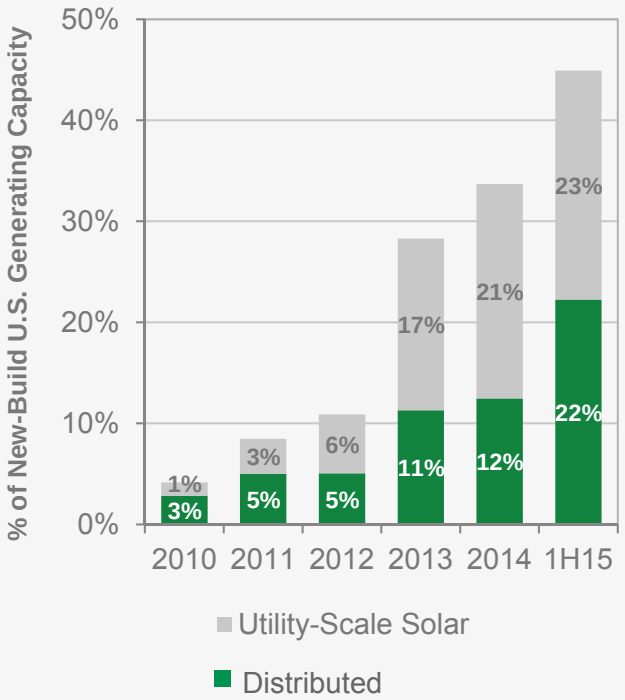
Solar Represents a Plurality of New U.S. Power Capacity

Total U.S. Installed Generating Capacity is ~1,170 GW with 15-20 GW/Yr. of New Gross Capacity since 2010
Distributed Solar Accounted for 22% of New-Build U.S. Generating Capacity in 1H15 with Utility-Scale at 23%

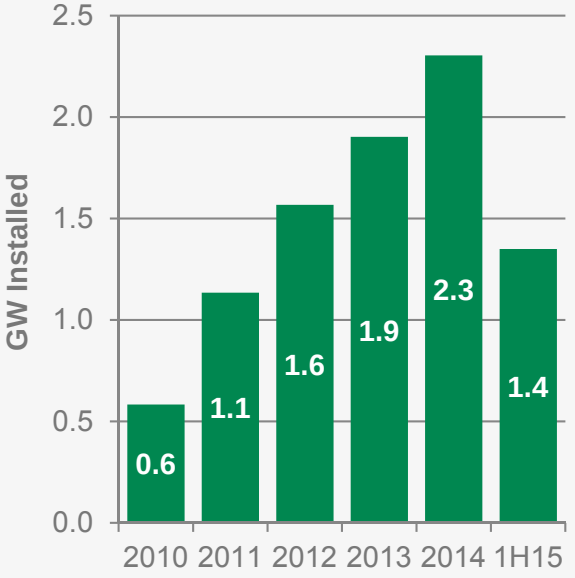
15-20 GW of New U.S. Generating Capacity per Year[1]



>20% of New U.S. Capacity was Distributed Solar in 1H15[2]



U.S. Distributed Solar Grew at a 40% CAGR 2010 to 2014[3]



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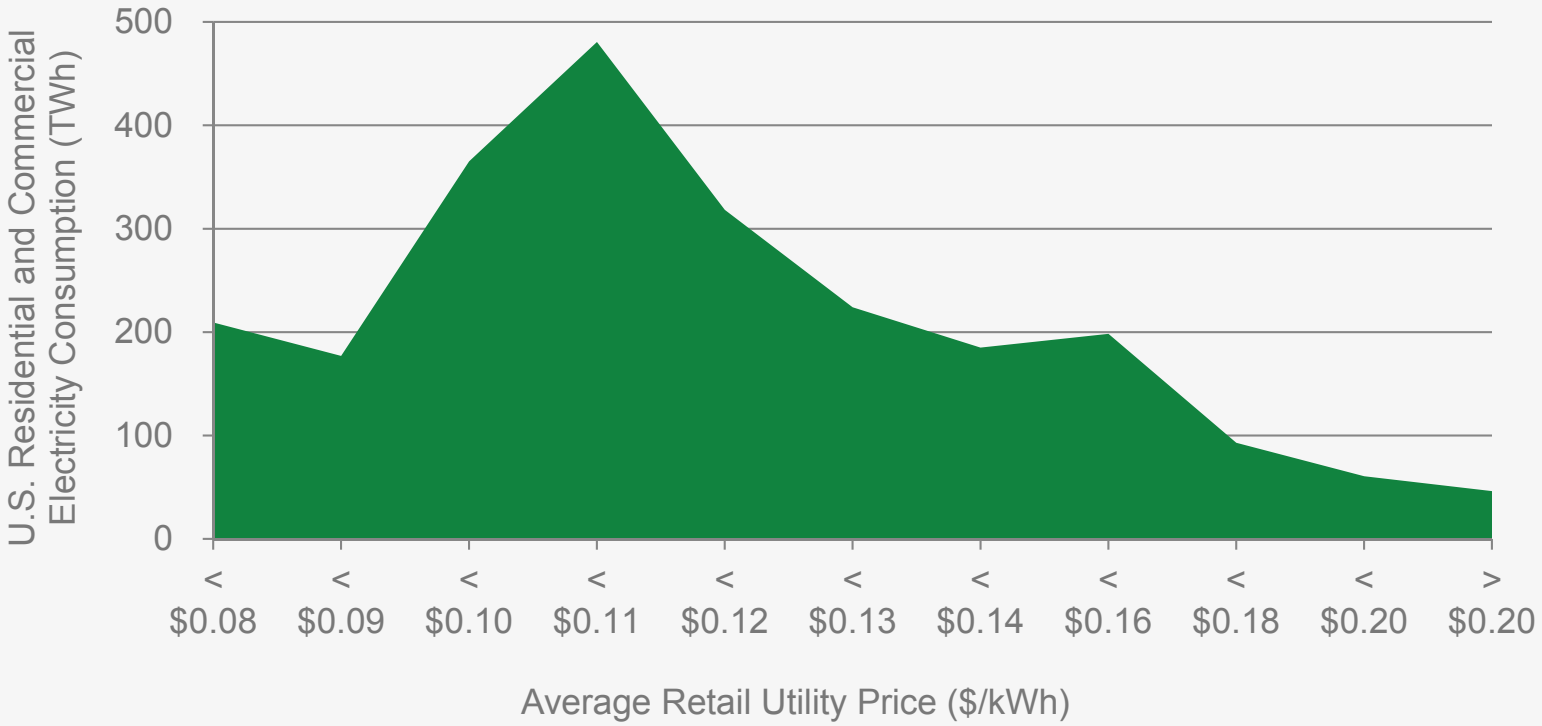
Solar is Competitive in a Significant Portion of the U.S.

Avg. U.S. Retail Electricity Price Is ~$0.13/kWh with 583 TWh Consumed at that Price or Higher[4]
Total U.S. Residential and Commercial Electricity Sales ≥$0.13/kWh Exceeded $90 Billion in 2014



Non-SolarCity Service States

SolarCity Service States

NC FL GA

AZ TX

PA NY CA MD MA CT

HI

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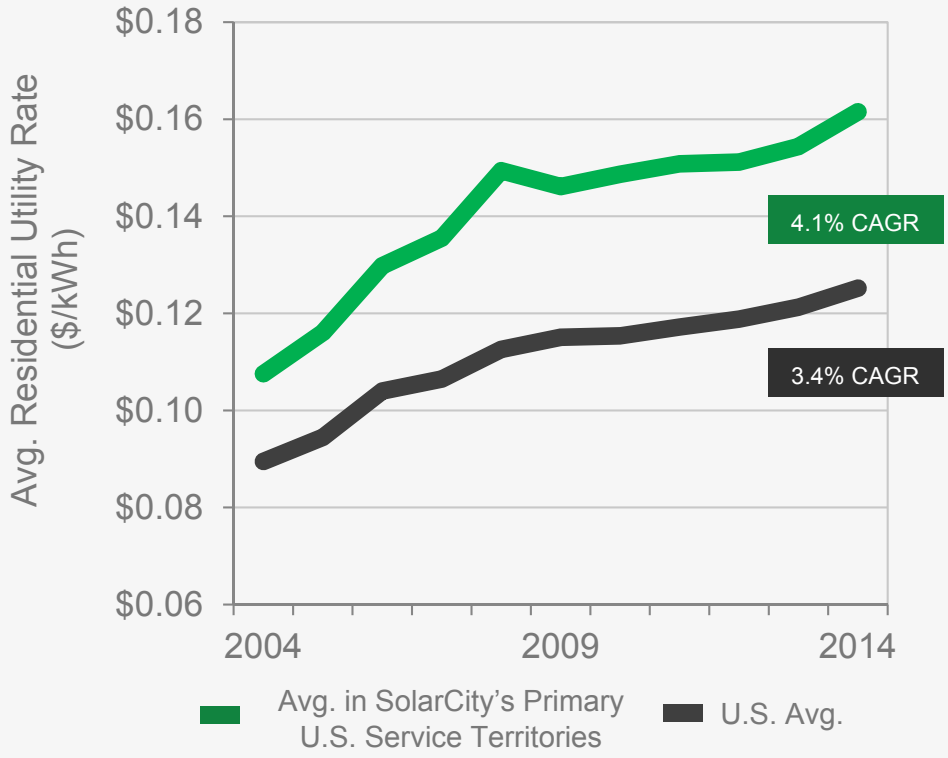
Retail Utility Rates Are Rising on Infrastructure Spending

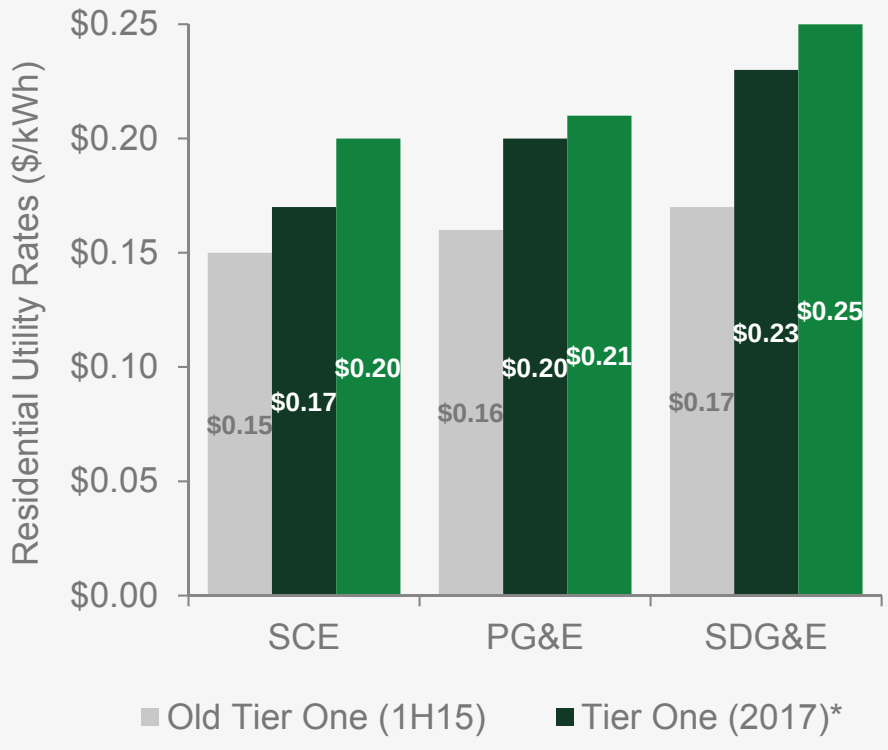
Retail Utility Rates Have Increased despite Lower Energy Prices Due to Infrastructure Capex

CA Rate Reform is Increasing Investor-Owned Utilities' Baseline Tier 1 Residential Rates Initially to >$0.17/kWh in 2017

Utility Rates in SolarCity Primary U.S. Service Territories Are Up 50% since 2004[5]



New CA Rate Reform Increasing Tier One Rates[6]



* Assumes 3% Additional Annual Rate Inflation

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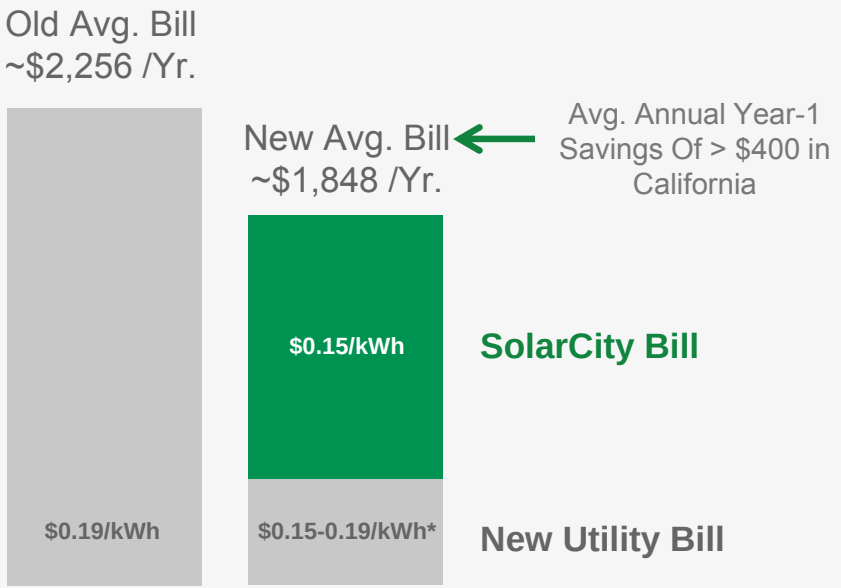
Cleaner, Lower Cost Energy

Solar PPAs, Leases, and Loans Lower Customers' Energy Bills for No Initial Investment

SOLARCITY EXAMPLE OF A CALIFORNIA PPA WITH NO DOWN PAYMENT



- No upfront cost for installation required
- Solar energy paid for monthly at a lower $/kWh price than charged by the local utility
- Our solar contracts typically generate 50-90% of a customer's annual electricity needs
- Customers able to generate savings of up to 20% from Day One

* Because of tiered pricing based on usage in California, the output from solar energy systems also lowers the rate charged by the utility

Despite Continued Growth, Solar Penetration Remains Low

U.S. Solar Penetration of Both Residential and Commercial Buildings Is Below 1%

Residential Solar Is Installed on Less than 2% of Single Family Homes in SolarCity's U.S. Service Territories

	SolarCity Primary U.S. Service Territories*	Total U.S.
Total U.S. Residential Solar Installations at the End of Q3 2015 [7]	0.74M	0.82M
/ Total U.S. Single Family Housing Units [8]	38.1M	94.0M
= Distributed Solar Penetration of U.S. Single-Family Homes	1.9%	0.9%

- Over 815k residential solar homes in the United States as of the end of Q3 2015 with ~190k new residential installations in 2014.[7]
- 690k new single-family home permits across the Country in 2015, expanding the opportunity.[9]
- Less than 1% solar penetration of the 5.6M commercial buildings in the U.S.[10]

* Excludes Nevada

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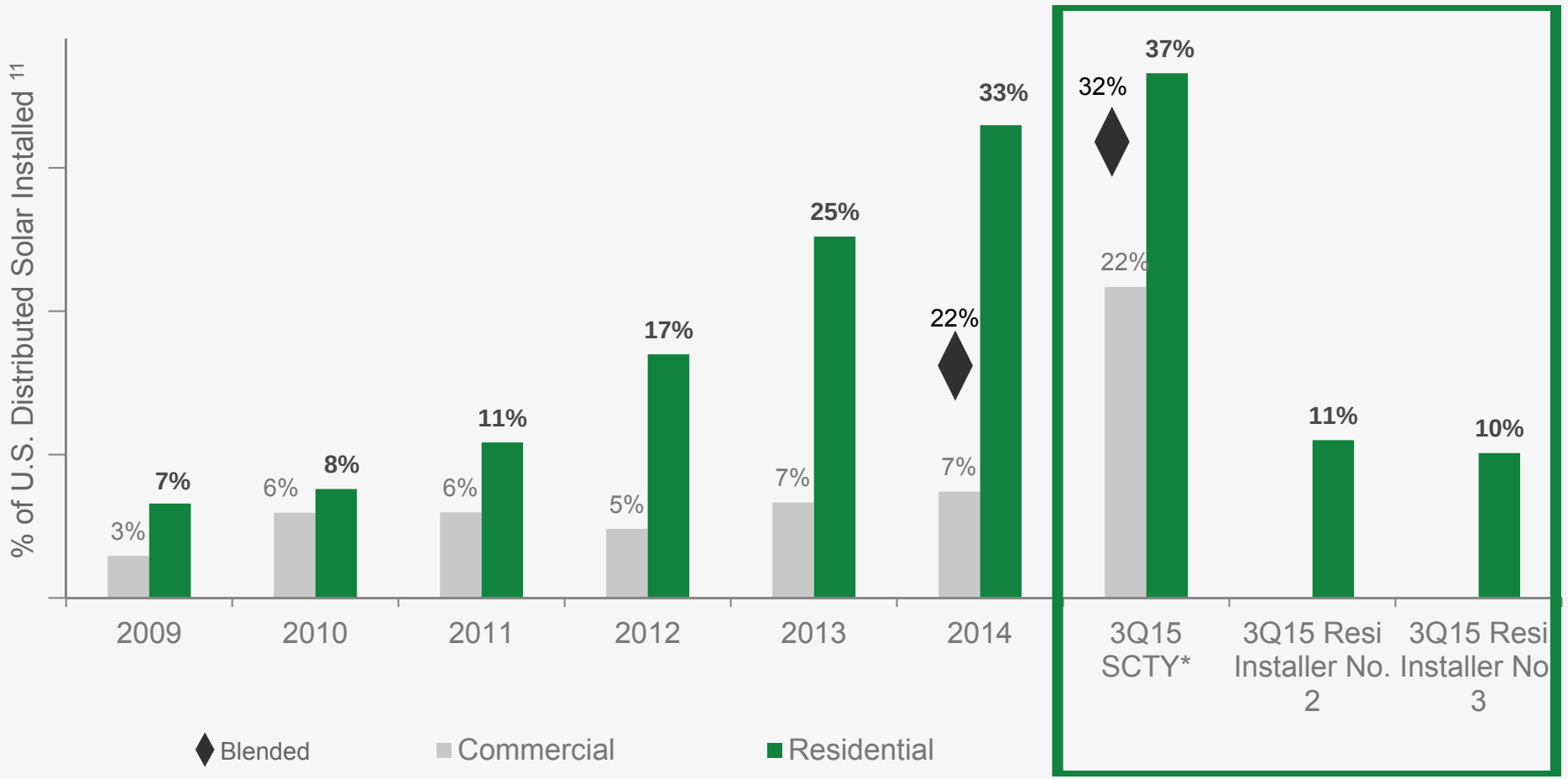
The Clear Leader in U.S. Distributed Solar Installations

SolarCity is the Largest U.S. Residential and Commercial Solar Installer
Installed 28% of Distributed Solar, 15% of Total Solar, and 7% of New Gross Power Capacity in the U.S. 1Q-3Q15



SolarCity accounted for more than 1% of all solar installed globally 1Q15-3Q15

*3Q15 represents the latest industry data published by GTM Research/SEIA

SolarCity

Diversified residential sales channels

Mall Cart

The Home Depot

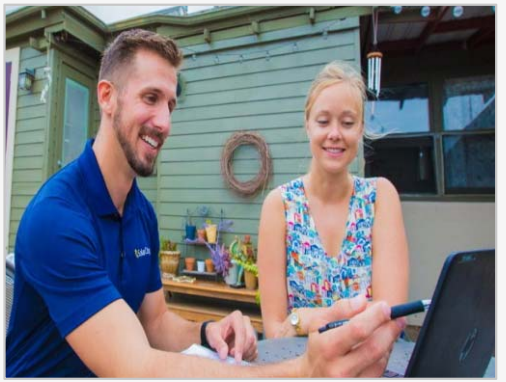
Digital Ad

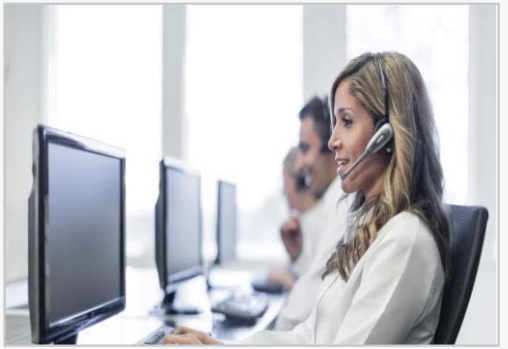
Lead generation

- Performance Marketing
- Retail partners
- Home Builder partners
- Malls
- Events
- Canvassing
- Ambassadors
- Referrals

Close

- In-home consultation
- Phone consultation
- Online





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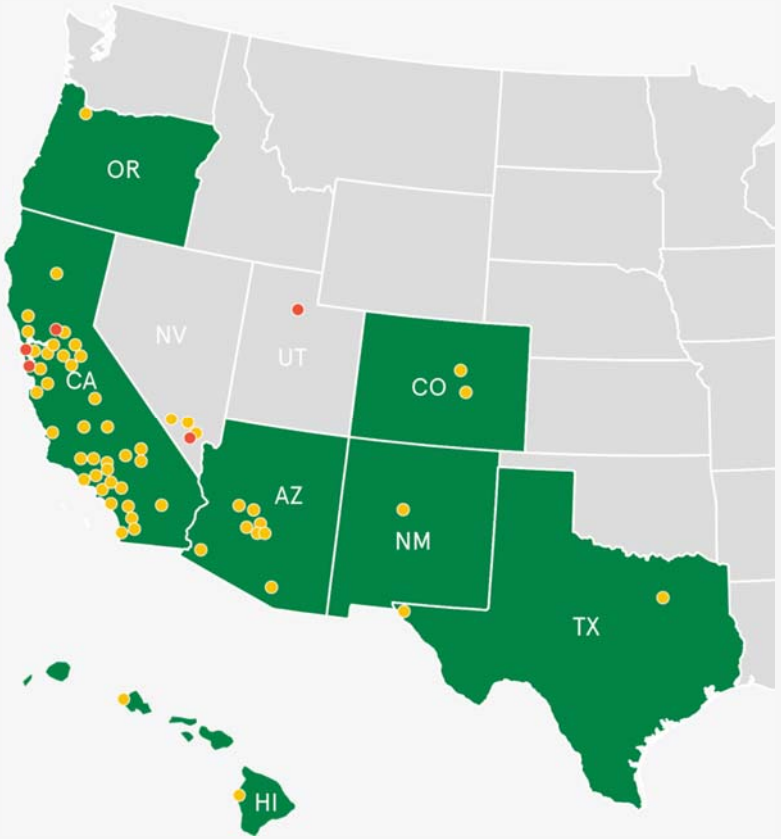
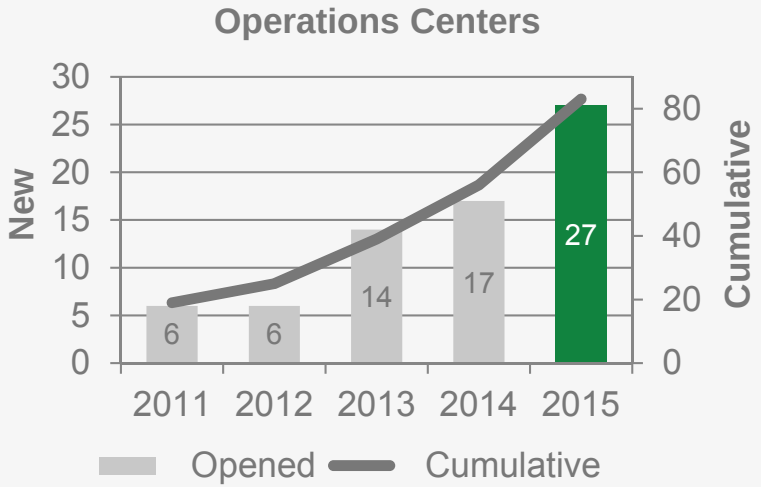
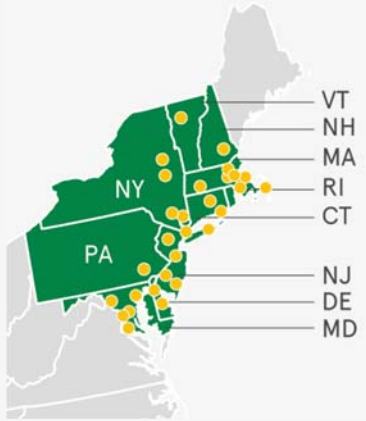
Infrastructure in Place to Serve Key U.S. Solar Geographies

With 81 Operations Centers, We Are within 30 Minutes of 90% of the Population in Our Geographies[12]

Our Differentiated Logistics Network Enables Low Costs and Faster Customer Response Time







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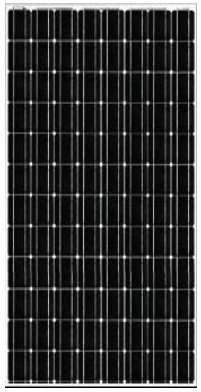
Broad Technology Portfolio



SOLAR MODULES

- Silevo Tunneling Junction
- High efficiency / low cost
- High module efficiency of >22% certified by Renewable Energy Test Center

MOUNTING HARDWARE & BALANCE OF SYSTEM

- Fast installation, lower cycle time
- Superior aesthetics

SOFTWARE

- System design automation
- Energy production forecasting
- Logistics and resource management
- Utility rate tariff database
- Energy usage evaluations
- Customer account management
- Customer applications

GRID CONTROL SYSTEMS

- Real-time energy monitoring
- Voltage control
- Energy storage integration

SolarCity

Proprietary Residential Mounting Hardware Requires Fewer Steps

Our Zep Mounting Hardware Simplifies Installation and Eliminates the Need for Rails and Clips

Zep Enables Lower Installation Costs by Requiring Fewer Components and Labor Hours

Competitor with Traditional Mounting Hardware

SolarCity with Zep

CORE COMPONENTS

Leveling Foot | Interlock | Ground Zep | Combiner box | DC Wire Grip | Grip | Array Skirt | End Cap | Tools

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Integrated Module Production Offers New Cost Advantage

Vertical Integration into Module Manufacturing to Provide Competitive Edge in Costs and Aesthetics
2017 Goal Is to Produce Modules at a Lower Cost of $0.55/W at a Higher Module Efficiency of 21-22%

HIGH EFFICIENCY MODULES

Module Efficiency of >22% Certified by Renewable Energy Test Center

	Traditional Silicon Modules	Silevo Module
Panel Wattage (60-cell)	260	350
Module Efficiency (Cell Efficiency)	~15% (~18%)	21-22% (24%)
Additional Energy Harvest	-	>5%
Manufacturing cost goal ($/W)		~$0.55/W
Balance of system (BoS) cost reduction	-	>$0.10/W

- Silevo's 350-Watt module is significantly above original 310-W at the time of acquisition due to breakthrough in shingling technology
- Silevo cell is bi-facial, which allows for additional energy harvest in commercial and utility-scale installations

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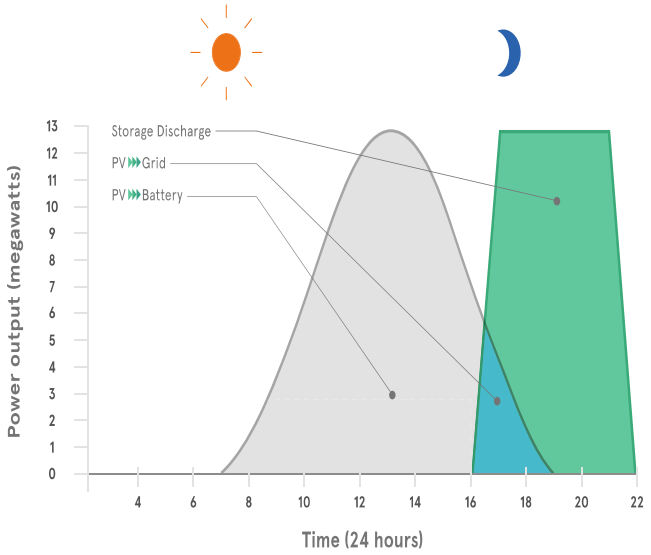
Storage Will Enable Energy Independence

Storage Enables Solar Energy at Night



Market Segment	Product
Commercial & Industrial	DemandLogic reduces peak demand charges
Residential	Cleaner, more affordable back-up power
Remote Communities and the Developing World	Microgrids protect against outages and provide more affordable energy
Utilities	Capacity and power quality services

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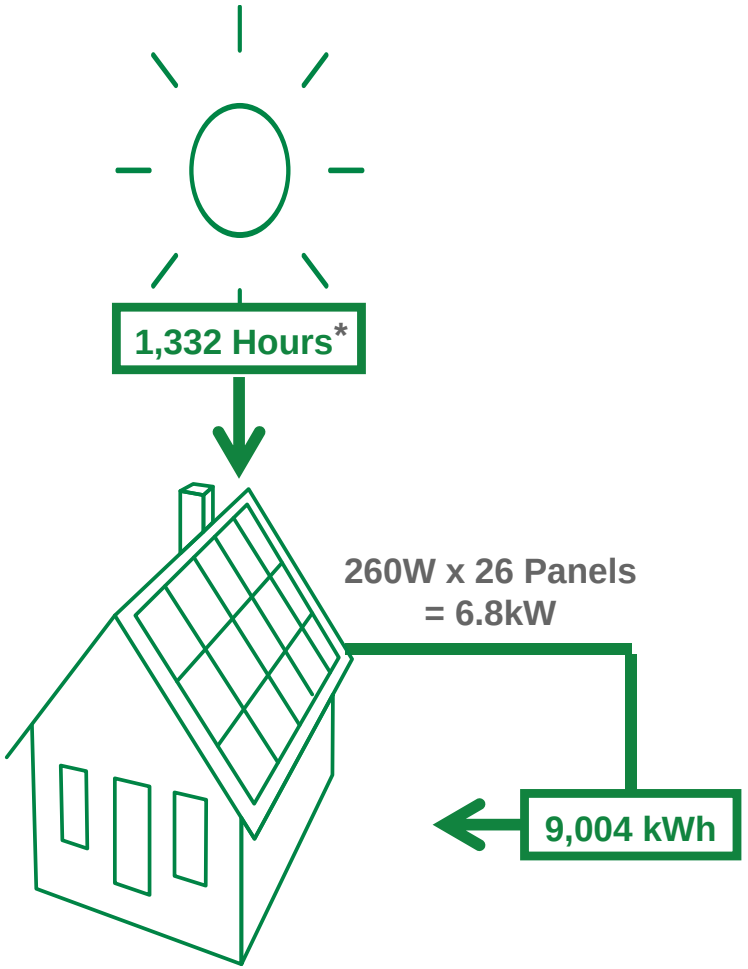
Project Cash Flow Driven by Units, Production, and Pricing



747 Avg. FICO **BILL**

Investment-grade off-taker **SREC**

	Solar Insolation	Annual hours of sunshine on the panels adjusted for tilt and azimuth
	X	
	System Size	Capacity (kW or MW)
	=	
	Annual Energy Production	Estimated kilowatt-hours (kWh) of solar energy produced in year one
	X	
$0.12/kWh	**(Energy Contract Price**	All the energy produced by the solar system is sold to the customer at an established $/kWh price with an annual escalator (includes performance-based incentives)
+	**+**	
$0.04/kWh	**SREC Price)** *Portfolio average, e.g., $0 in California*	Certain states require electricity providers to purchase Solar Renewable Energy Certificates to meet state renewable energy portfolio standards
=	**=**	
$1,431 **(or $0.19/W)**	Energy Contract Revenue	Annual revenue is the customer bill plus payments for SRECs. Customers contract for 20 years and we expect to provide energy to the home for at least 30 years

*Average of 4Q15 Lease/PPA Deployed; Q415 average including MyPower is 1,347 hours

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Gross Project Cash Flows (Pre-ITC) NPV at ~$2.38/W

The Foundation of Our Value Creation Rests Upon the Cash Flow Stream of the Underlying Assets

Q4 2015 NPV of Lease/PPA Gross Project Cash Flows before the Investment Tax Credit/Depreciation Was $2.38/W at a 6% Discount Rate

$/W UNIT ECONOMICS FOR THE 218 MW OF LEASES/PPAS DEPLOYED IN Q4 2015

Year		0	1	2	3	4	5	6	7	8	9	10	11*	12	13	14
Energy Production	kWh/kW		1,332	1,326	1,319	1,312	1,306	1,299	1,293	1,286	1,280	1,274	1,267	1,261	1,255	1,248
Annual Degradation	*(0.5%)*															
Contract (+PBI) Price	$/kWh		$0.12	$0.12	$0.12	$0.13	$0.13	$0.13	$0.13	$0.14	$0.14	$0.14	$0.15	$0.15	$0.15	$0.16
Annual Escalator	*2.0%*															
SREC	$/kWh		$0.04	$0.04	$0.03	$0.03	$0.02	$0.01								
Rebates/Prepayments	$/W	$0.08														
Project Revenue	$/W		$0.21	$0.21	$0.21	$0.20	$0.19	$0.19	$0.18	$0.18	$0.18	$0.19	$0.19	$0.19	$0.19	$0.20
O&M Expenses	$/W		($0.02)	($0.02)	($0.02)	($0.02)	($0.02)	($0.02)	($0.02)	($0.02)	($0.02)	($0.02)	($0.18)	($0.03)	($0.03)	($0.03)
Gross Project Cash Flow	$/W	$0.08	$0.19	$0.19	$0.18	$0.18	$0.17	$0.16	$0.16	$0.16	$0.16	$0.16	$0.01	$0.16	$0.17	$0.17

Year	15	16	17	18	19	20	21*	22	23	24	25	26	27	28	29	30**
Energy Production	1,242	1,236	1,230	1,224	1,217	1,211	1,205	1,199	1,193	1,187	1,181	1,175	1,170	1,164	1,158	1,152
Annual Degradation																
Contract (+PBI) Price	$0.16	$0.17	$0.17	$0.17	$0.18	$0.18	$0.17	$0.17	$0.17	$0.18	$0.18	$0.19	$0.19	$0.20	$0.20	$0.21
Annual Escalator																
SREC																
Project Revenue	$0.20	$0.20	$0.21	$0.21	$0.22	$0.22	$0.20	$0.20	$0.21	$0.21	$0.22	$0.22	$0.23	$0.23	$0.24	$0.24
O&M Expenses	($0.03)	($0.03)	($0.03)	($0.03)	($0.03)	($0.03)	($0.15)	($0.03)	($0.03)	($0.03)	($0.03)	($0.03)	($0.04)	($0.04)	($0.04)	($0.04)
Gross Project Cash Flow	$0.17	$0.18	$0.18	$0.18	$0.19	$0.19	$0.05	$0.17	$0.18	$0.18	$0.18	$0.19	$0.19	$0.19	$0.20	$0.20

30-Year NPV: $2.38/W

- Rebates/Prepayments: $0.08/W (upfront)
- Contracted NPV: $1.91/W (discounted at 6%)
- Renewal NPV: $0.39/W (discounted at 6%)

* Inverter replacement assumed in Year 11 at a cost of $0.15/W and in Year 21 at a Cost of $0.12/W

** Renewal assumes SolarCity continues to provide energy to the home at a 10% discount to the utility price at the time of renewal

Note: Excludes default rates

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Unlevered Cash Flow After-Tax Equity Valued at $3.63/W***

In Addition, Tax Equity Enables the Monetization of the Investment Tax Credit (ITC) in Year One

Tax Equity Invests $1.65-1.80/W in Return for a Portion of Gross Project Cash Flow and Most of the 30% ITC/Depreciation

UNLEVERED PROJECT CASH FLOW OF LEASES/PPAS DEPLOYED IN Q4 2015

Year	0	1	2	3	4	5	6	7	8	9	10	11*	12	13	14	15
Gross Project Cash Flow	$0.08	$0.19	$0.19	$0.18	$0.18	$0.17	$0.16	$0.16	$0.16	$0.16	$0.16	$0.01	$0.16	$0.17	$0.17	$0.17
Tax Equity Investment	$1.66															
Tax Equity Distributions		($0.06)	($0.06)	($0.06)	($0.06)	($0.06)	($0.06)	($0.05)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)
Unlevered Project Cash Flow to SCTY	$1.75	$0.14	$0.13	$0.13	$0.12	$0.11	$0.11	$0.10	$0.14	$0.15	$0.15	$0.00	$0.15	$0.16	$0.16	$0.16
SCTY Share of Cash Flow		71%	70%	69%	67%	66%	64%	65%	92%	92%	92%	24%	94%	94%	94%	94%
Tax Equity Share of Cash Flow		29%	30%	31%	33%	34%	36%	35%	8%	8%	8%	76%	6%	6%	6%	6%

Year	16	17	18	19	20	21*	22	23	24	25	26	27	28	29	30**
Gross Project Cash Flow	$0.18	$0.18	$0.18	$0.19	$0.19	$0.05	$0.17	$0.18	$0.18	$0.18	$0.19	$0.19	$0.19	$0.20	$0.20
Tax Equity Distributions	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)
Unlevered Project Cash Flow to SCTY	$0.16	$0.17	$0.17	$0.17	$0.18	$0.04	$0.16	$0.16	$0.17	$0.17	$0.17	$0.18	$0.18	$0.19	$0.19
SCTY Share of Cash Flow	94%	94%	94%	94%	94%	79%	94%	94%	94%	94%	94%	94%	94%	94%	94%
Tax Equity Share of Cash Flow	6%	6%	6%	6%	6%	21%	6%	6%	6%	6%	6%	6%	6%	6%	6%

30-Year Unlevered Pre-Tax NPV: $3.63/W

- Tax equity investment: $1.66/W (upfront)
- Rebates/Customer prepayments: $0.08/W (upfront)
- Contracted Unlevered NPV: $1.52/W (discounted at 6%)
- Renewal Unlevered NPV: $0.36/W (discounted at 6%)

* Inverter replacement assumed in Year 11 at a cost of $0.15/W and in Year 21 at a Cost of $0.12/W

** Renewal assumes SolarCity continues to provide energy to the home at a 10% discount to the price at the time of renewal

*** Unlevered Cash Flow Value of $3.63/W on this slide only includes Leases/PPAs; the $3.64/W reference on Slides 3 and 23 includes MyPower

Note: Excludes default rates

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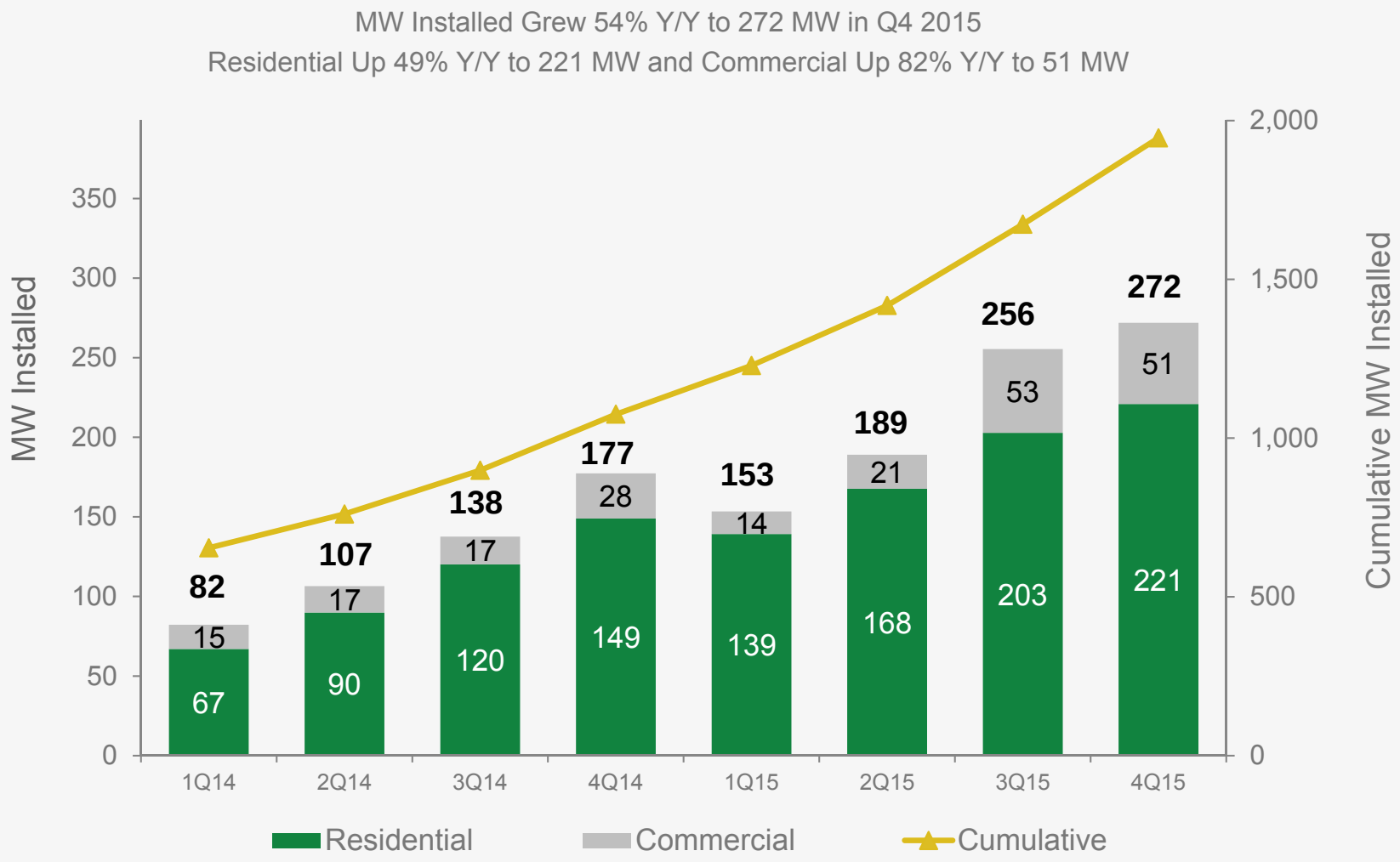
MW Installed of 272 in Q4 2015 and 870 in 2015



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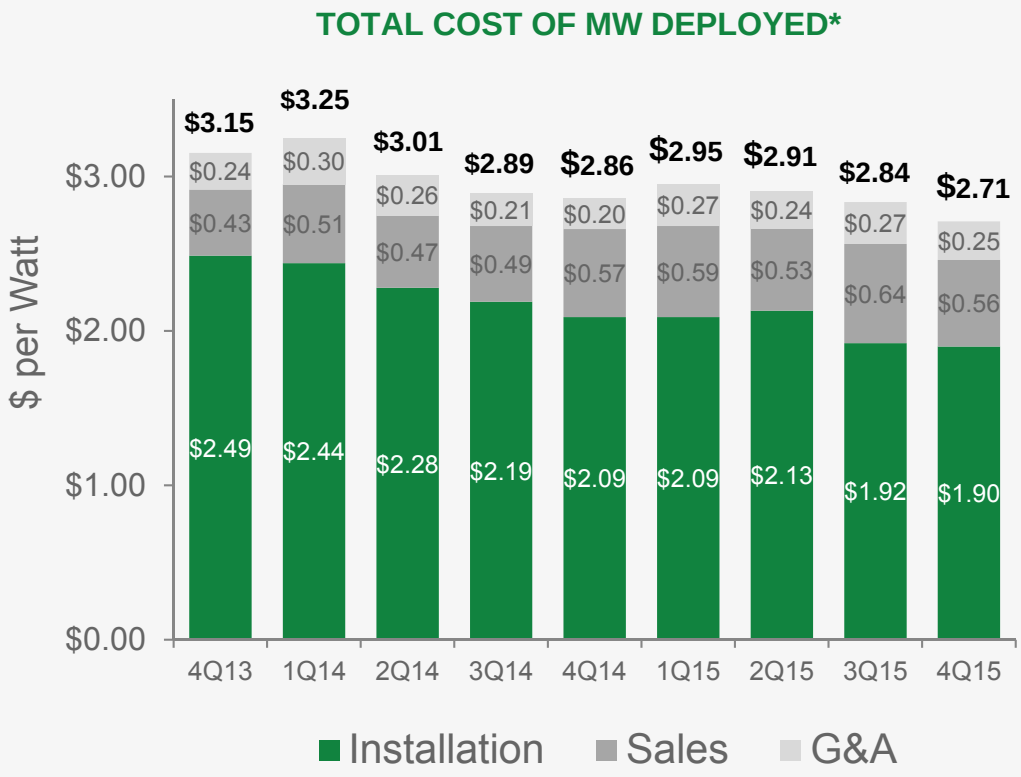
Costs Declined to New Record Low of $2.71/W*

Cost per Watt Declined to New Lows in Q4 2015 as Installation Costs Achieved Original 2017 Goal One Year Ahead of Schedule
Total Costs Declined (5%) Quarter-over-Quarter and Year-over-Year



- Installation Cost: Down (1%) quarter-over-quarter and (9%) year-over-year to $1.90/W
- Sales Cost: Down (13%) quarter-over-quarter and (2%) year-over-year to $0.56/W
- G&A Cost: Down (7%) quarter-over-quarter and up 25% year-over-year to $0.25/W

* Excludes R&D expenses and corporate capital expenditures.

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Reducing Installation Cost Goal to $1.50/W

Lower Hardware Prices and Soft Costs Are Each Expected to Drive ~50% of Cost Reductions

* Current economics in some states support carports but lower revenue numbers will reduce carport projects that generate enough returns

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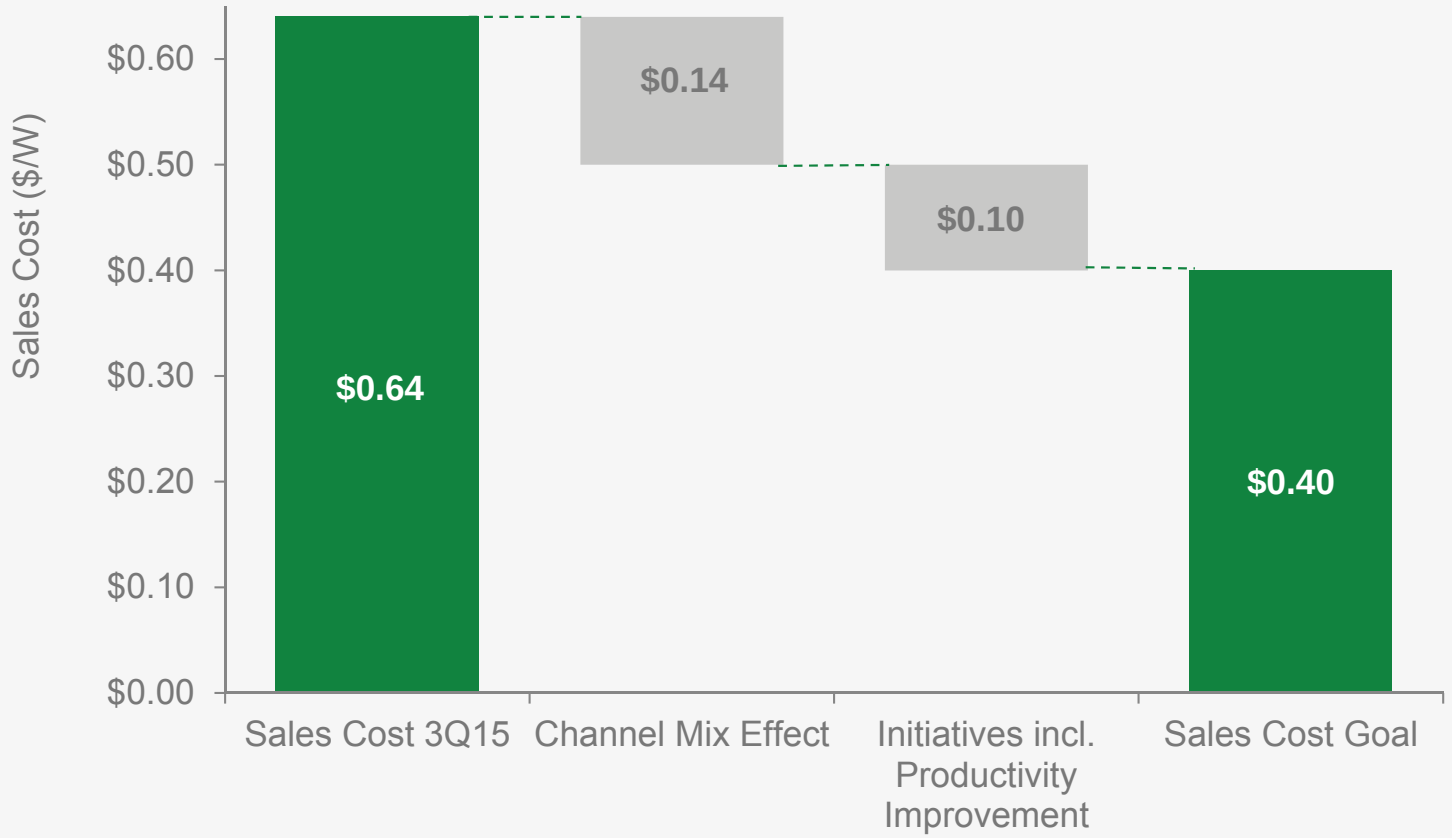
Achieving Our Sales Cost Goal of $0.40/W

Goal Is to Reallocate Resources and Drive Productivity to Improve Cost of Acquisition



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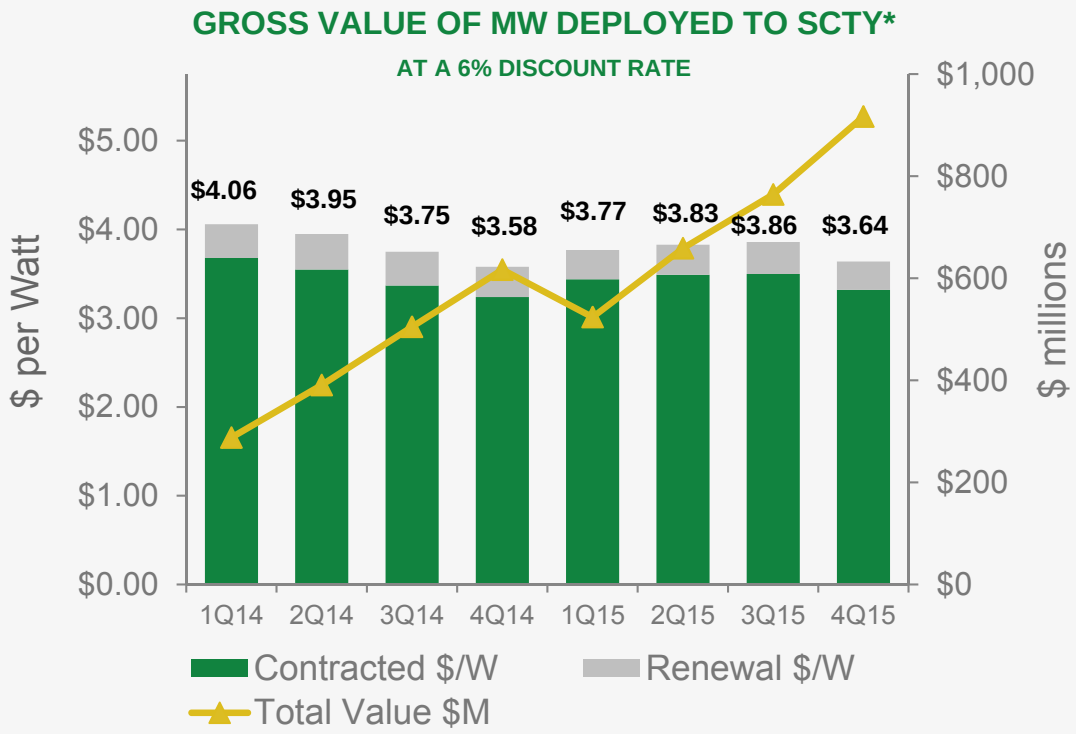
Q4 Value of MW Deployed under Energy Contract at $890M*

The Gross 30-Year Value of MW Deployed under Energy Contracts Q4 2015 was $890M, or $3.64/W**, at a 6% Discount Rate
Upfront Cash Receipts Accounted for $1.56/W, and Unlevered Pre-Tax NPV of Future Cash Flows Accounted for $2.08/W



- MW Deployed: 253
  - 218 MW of Lease/PPA with tax equity
  - 26 MW of MyPower
  - 9 MW of System Sales (excluded from Value of MW Deployed under Energy Contracts)
- Avg. Annual Energy Harvest: 1,347 kWh/kW
- Avg. Energy Contract Price: $0.12/kWh
- Blended SREC Price (5-Year Avg.): $0.03/kWh
- Avg. Energy Contract Price Escalator: 2.0%
- Tax Equity Distributions: 33% pre-flip; 8% post-flip***

$3.64/W

- Tax equity investment: $1.48/W blended (or $1.66/W ex-MyPower)
- Upfront Cash Rebates/Prepayments: $0.08/W
- Contracted Unlevered NPV: $1.76/W (6% disc. rate)
- Renewal Unlevered NPV: $0.32/W (6% disc. rate)

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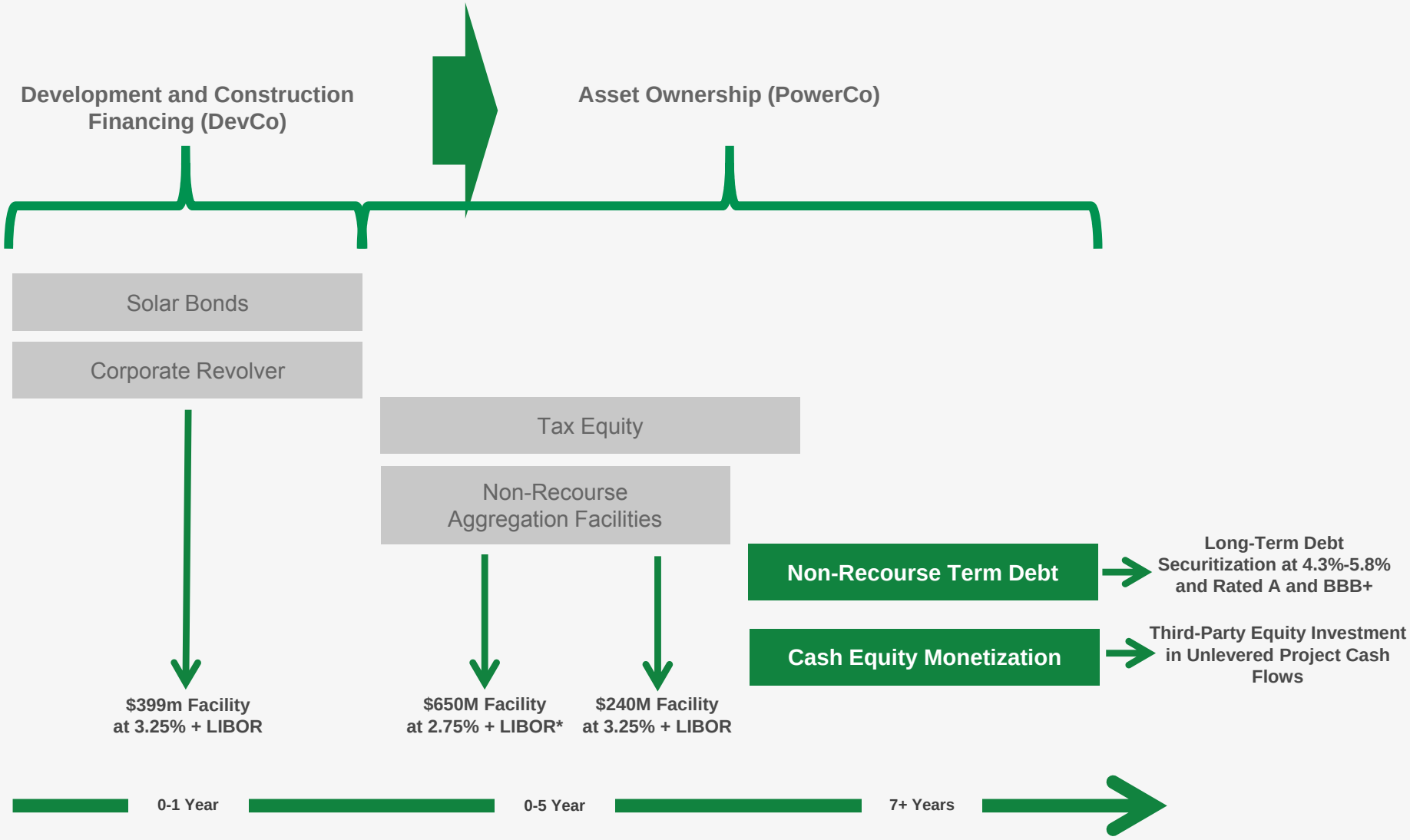
* Represents Gross Value to SCTY at a 6% discount rate and excludes distributions and any additional value attributed to tax equity investment partners.
** Contracted $3.32/W (or $812M) and estimated renewal $0.32/W (or $78M).
*** Tax equity distributions based on lease/PPA cash flows only. On a blended basis including MyPower: 28% pre-flip and 7% post-flip.

Strategy Targets Low Cost, Longer Term Financing



* For LIBOR loans, 2.75% + 3-month or daily LIBOR, at our option; For commercial paper loans, 2.75% + applicable commercial paper rate

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Multiple Options to Monetize Unlevered Cash Flows

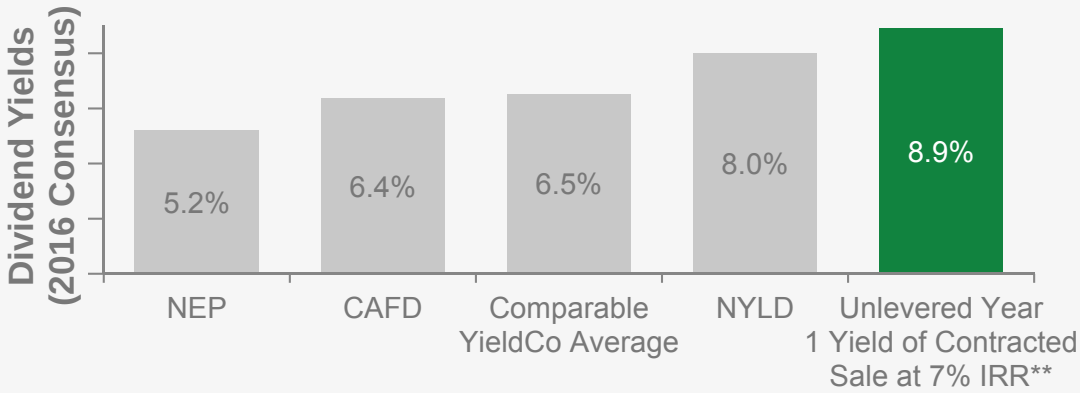
HISTORICAL STRATEGY HAS PRIMARILY USED DEBT TO MINIMIZE UPFRONT INVESTMENT

$/W	Q3 2015*
Upfront Asset Financing:	
Tax Equity Investment	$1.77/W
Rebates & Prepayments	$0.10/W
Aggregation Facility Debt	$0.89/W
Total Upfront Asset Financing	$2.76/W
Remaining Value:	$1.20/W
Contracted Levered NPV***	$0.70/W
Renewal Levered NPV	$0.41/W
Value of MW Deployed	$3.87/W

EQUITY INVESTMENTS FROM 3RD PARTY FINANCIAL BUYERS ALSO POSSIBLE

$/W	Cash Equity
Upfront Asset Financing:	
Tax Equity Investment	$1.77/W
Rebates & Prepayments	$0.10/W
Equity Investment at 7% unlevered IRR**	$1.46/W
Total Upfront Asset Financing	$3.33/W
Remaining Value:	
Renewal Value Yrs. 21-30	$0.41/W
Value of MW Deployed	$3.74/W

COMPARABLE YIELDCOS



* Based on Q3 2015 which has a more representative mix of residential and commercial economics

**Illustrative example; equity investment in contracted cash flow at 8% unlevered IRR would yield $1.34/W and total asset monetization of $3.21

*** Additional ability to monetize another $0.10 through securitization

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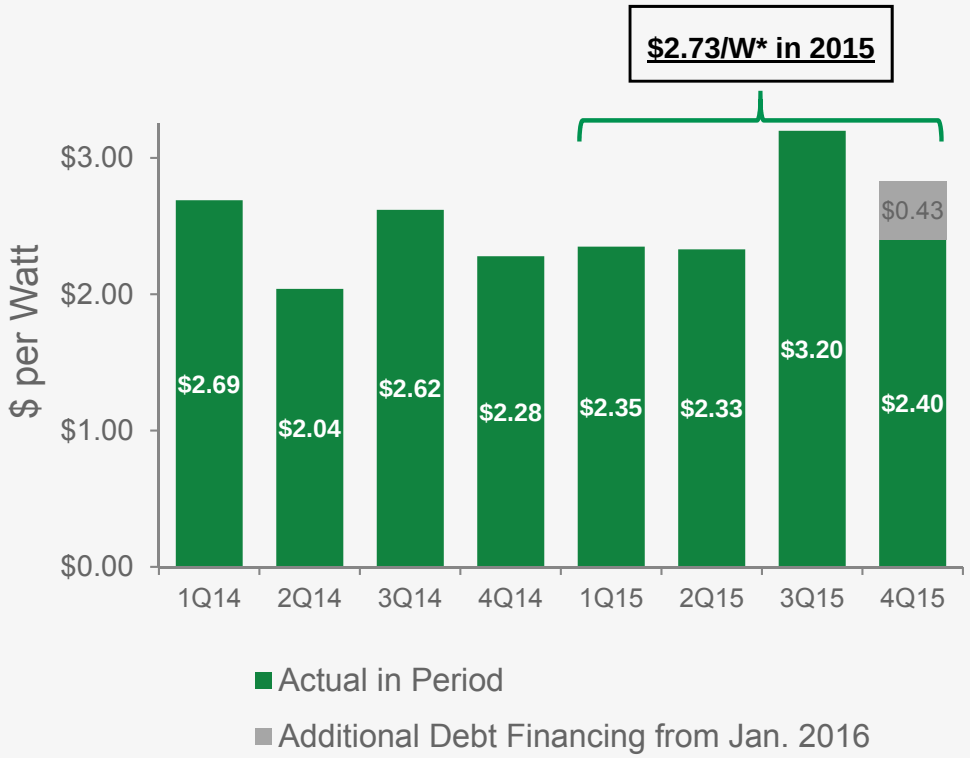
Adjusted Asset Financing of $2.73/W in 2015*

Asset Financing Represents Actual Cash Receipts from Project Finance (Tax Equity, Non-Recourse Debt, Rebates/Prepayments)
Adjusted Asset Financing (Including Jan. 2016 Financing) Was $2.73/W for MW Deployed under Energy Contracts in 2015

ASSET FINANCING OF MW DEPLOYED UNDER ENERGY CONTRACT



- Tax Equity Investment: $1.55/W for lease/ PPA MW or $1.38/W blended
- Upfront Cash Rebates and Prepayments: $0.07/W
- Aggregation and MyPower Facility Debt: $0.95/W
- ABS Incremental Debt Issuance: $0.00/W

* Adjusted for BAML/KeyBank/SVB non-recourse debt facility closed on 1/22/16. Excluding the net proceeds from this facility, Asset Financing was $2.58/W in 2015.

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Debt Outstanding at the End of 2015

		Terms (Yrs.)	Underlying MW	$M Outstanding at End of 2015	Pre-Tax Cost	Recourse	Payment Schedule
PowerCo Debt	Asset-Backed Securitized Debt	8-13	317*	$426M*	4-6%	Non-Rec.	Amortizing
	Aggregation/MyPower Facilities	2 - 3**	912*	$816M*	3-4%	Non-Rec.	Non-Amort.
DevCo Debt	Revolving Credit Facility	1 - 2	-	$360M	3-4%	Recourse	Non-Amort.
	Vehicle Loans and Other Loans	<1 - 3	-	$28M	3-8%	Recourse	Amortizing
	Solar Bonds***	1 - 15	-	$214M	1-6%	Recourse	Non-Amort.
	Convertible Debt	5	-	$909M	0-3%	Recourse	Non-Amort.
	Cash & Investments – Unrestricted	-	-	$394M	-	-	-
	MW Deployed – No Back Leverage		257****				
	MW Deployed – Fully monetized		216				

* As of 12/31/15. Adjusted for FTE-1 asset-backed loan securitization of MyPower Energy Contracts completed on 1/21/16, Investment-Grade ABS Debt of $611M (or 381 MW) and Aggregation/MyPower Facilities of $631M (847 MW).
** Term listed from issuance; assumes anticipated renewal or refinancing of aggregation facility maturity payment due in 2016.
*** Weighted average 2.3% interest rate and 1.1 years remaining term as of 12/31/15.
**** As of 12/31/15. Or 62 MW adjusted for initial drawdowns on BAML/KeyBank/SVB non-recourse debt facility closed on 1/22/16.

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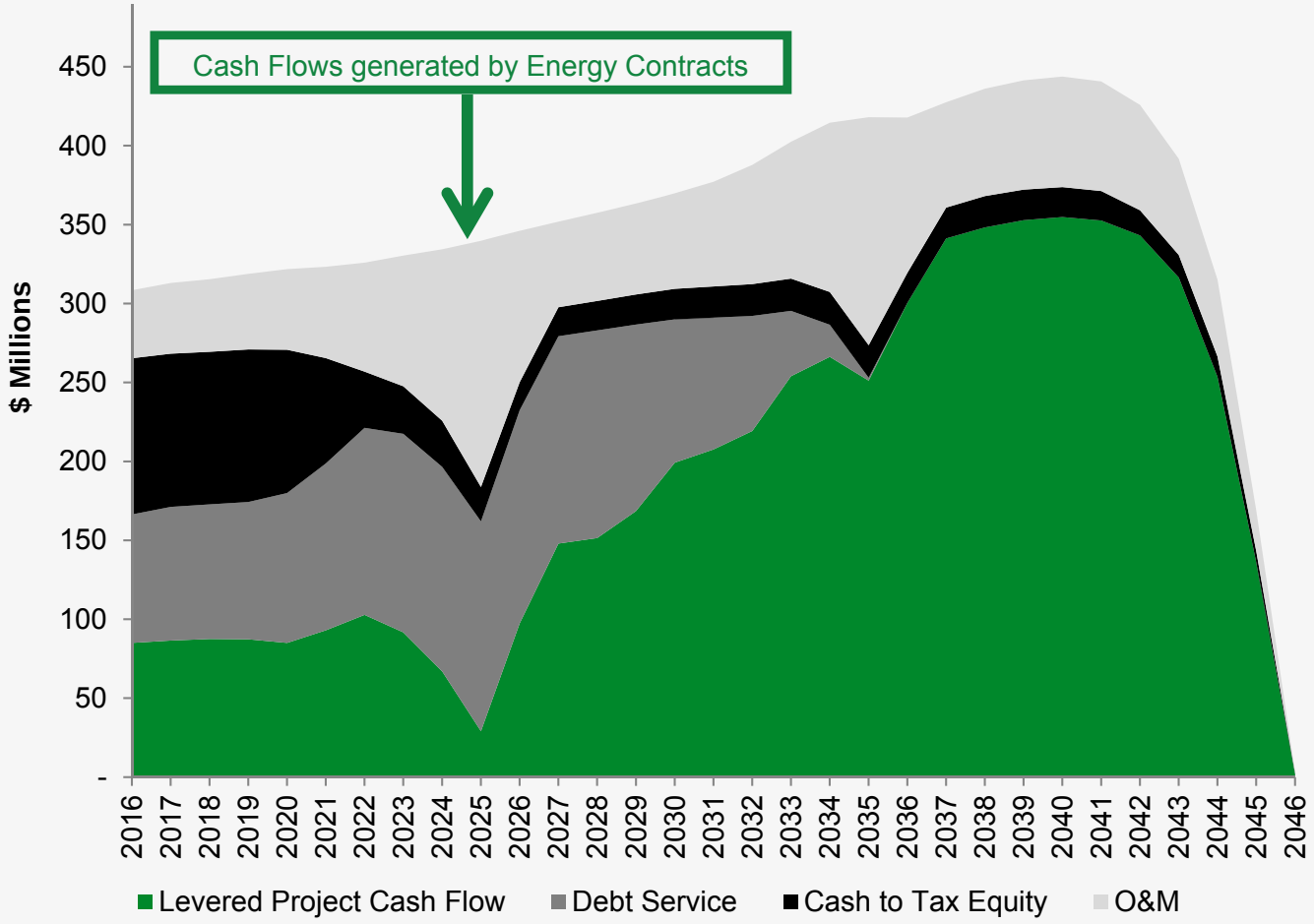
NPV of PowerCo's Unlevered Cash Flow (Less Debt) at $2.0B (Excluding SRECs)

The Pre-Tax Unlevered NPV Remaining of PowerCo's Portfolio is Forecast at $3.2 Billion with Non-Recourse Debt at $1.2 billion

PowerCo Portfolio as of 12/31/15	
Cumulative energy contract deployed	1.7 GW*
Avg. Annual Energy Harvest (2016)	1,391 kWh/kW
Avg. Energy Contract Price (2016)	$0.13/ kWh
Avg. Energy Contract Price Escalator	2.2%
Tax Equity % of lease/ PPA Gross Cash Flow (2016)	42%
Project Debt ($M)	$1,242
Blended Cost of Debt (%)	4.5%



* Cumulative Energy Contracts deployed of 1.7GW excludes 0.1 GW of System Sales deployed and includes 0.1 GW deployed of full-prepay Energy Contracts.

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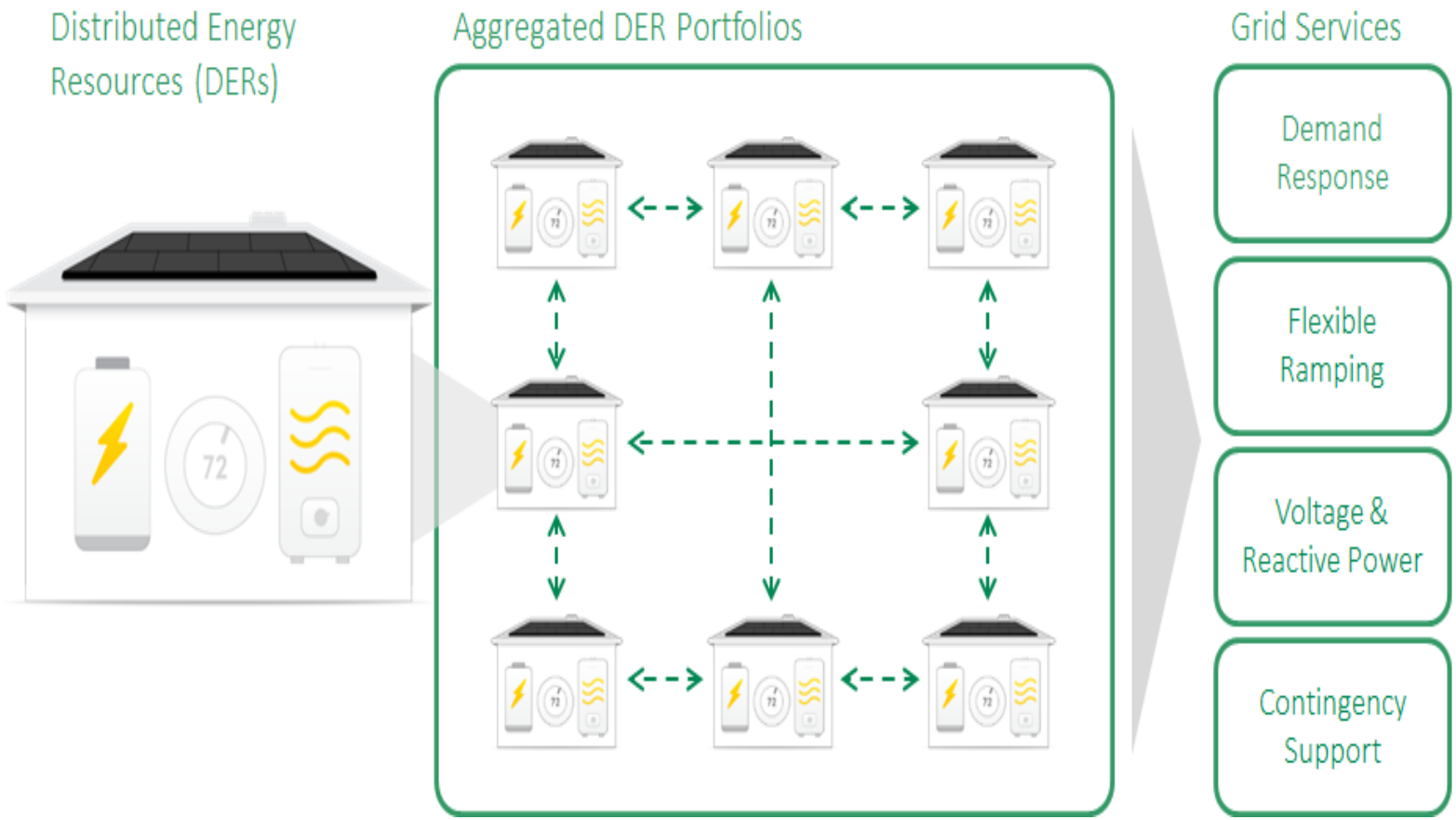
The Future of the Grid

A Network of Distributed Solar and Storage Systems Enables a Lower Cost, More Reliable Grid
Distributed Energy Resource Aggregation Can Provide Low-Cost Grid Services such as Peak Shaving and Voltage Support



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Conclusion

- Originating new solar installations at an annualized rate of >1 GW
- New Energy Contracts deployed in 2015 generated value of ~$3.77 per Watt
- Building solar assets at the best cost of publicly-traded peers of ~$2.71/W with a path to $2.25/W in 2017 and ultimately $2.00/W
- Cumulative portfolio of 1.7 GW Deployed under Energy Contracts with a 30-Yr. Pre-Tax Unlevered NPV Less Debt of $2.0 billion at a 6% discount rate (excluding SRECs)
- Currently monetizing upfront ~2/3 of the value generated, and exploring options to monetize more of the cash flow in year one
- Investing in technology to widen our relative cost advantage and enable greater renewable capacity on existing grid infrastructure

    - Goal of not owning future manufacturing assets on balance sheet

Questions & Answers

Appendix A: Tax Equity Primer

HISTORY

- The Investment Tax Credit (ITC) available under Section 48 of the IRC was extended in December 2015 to continue the existing 30% tax credit for solar systems on residential and commercial properties through December 31, 2019, before declining to 26% on December 31, 2020, 22% on December 31, 2021, and a permanent 10% effective January 1, 2022.
- While the current ITC focuses primarily on renewable energy property, various iterations of the ITC have existed since 1962, and over its history the ITC has been used by Congress to spur investment in a multitude of industries.
- ITC is part of broader General Business Credit under Section 38 that provides tax credits to various asset types, including low income housing, new markets, carbon sequestration, marginal oil wells, and dozens of other industries.

PARTNERSHIP STRUCTURE

- Partnership with SolarCity as 1% Member and Tax Equity as 99% Member
- Investment structured with projected "flip" and tenor 6.5 years
- Tax Equity partner receives the ITC, accelerated depreciation benefits and a share of cash flow
- After Tax Equity partner reaches a target IRR, their partnership interest flips down to 5% and SolarCity can exercise a buyout of the Tax Equity's interest

	% Benefit to Tax Equity Partner	
	Pre-Flip	Post-Flip
ITC / Depreciation	99%	0%
Cash Flow	30-40%	5-10%

ECONOMICS

- After-tax IRR 7% to 12%; pre-tax cash IRR 2% to 5%
- Tax Equity partner funds $1.75-1.80 / W ($4.55 Fair Market Value * 30% ITC * 1.28 funding multiple)
- Return is comprised of 65% ITC, 14% depreciation, 22% cash flow

$/W	$/W	% of Return
Cash Investment in Project	**($1.77)**	
Investment Tax Credit offsetting income tax	$1.36	65%
Depreciation offsetting income tax over life of partnership	$0.29	14%
Cash Flow from project	**$0.46**	22%
Total Nominal Return	$2.11	100%

INVESTOR BASE

- Pool of sophisticated investors comprised of leading financial institutions and corporates investing for an attractive risk adjusted return
- Investor base continues to expand as asset class matures

SELECT TAX EQUITY INVESTORS

Goldman Sachs, usbancorp, JPMorgan Chase & Co., Google, Bank of America Merrill Lynch, Direct Energy, Credit Suisse, HONDA The Power of Dreams

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Appendix B: Value of MW Deployed in Q4 2015 Sensitivities

VALUE OF MW DEPLOYED FORECAST ($M)

$M	4%	6%	8%
Contracted	$906	$812	$741
Renewal	$128	$78	$49
Total	**$1,034**	**$890**	**$790**

VALUE OF MW DEPLOYED FORECAST ($/WATT)

$ per Watt	4%	6%	8%
Contracted	$3.71	$3.32	$3.03
Renewal	$0.52	$0.32	$0.20
Total	**$4.23**	**$3.64**	**$3.23**

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Appendix C: Footnotes

[1] FERC “Energy Infrastructure Updates” from December 2011 to December 2014 (http://www.ferc.gov/legal/staff-reports.asp)

[2] GTM Research/SEIA’s “U.S Solar Market Insight Report Q2 2015” for residential and solar solar capacity and FERC “Energy Infrastructure Updates” ((http://www.ferc.gov/legal/staff-reports.asp) for all other energy capacity

[3] GTM Research/SEIA’s “U.S Solar Market Insight Report Q2 2015”

[4] EIA’s “2014 Utility Bundled Retail Sales” (https://www.eia.gov/electricity/sales_revenue_price/pdf/table10.pdf)

[5] EIA’s “Average Price by State by Provider, 1990-2014” (http://www.eia.gov/electricity/data/state)

[6] Based on filings from PG&E (http://www.pge.com/nots/rates/tariffs/tm2/pdf/ELEC_4697-E.pdf), Southern California Edison (https://www.sce.com/NR/sc3/tm2/pdf/3268-E.pdf), and SDG&E (http://regarchive.sdge.com/tm2/pdf/2784-E.pdf) and assumes an additional 3% annual rate increases per year

[7] GTM Research/SEIA’s “U.S Solar Market Insight Report Q3 2015”

[8] Single-family housing units based on data from U.S. Census American Community Survey’s “Housing Units by Units in Structure and State” and assumes 1.0% annual growth in the housing stock per year through 2015. Excludes multi-family, mobile, and other housing units

[9] U.S. Census Bureau’s “Building Permits Survey by State – Annual” (http://www.census.gov/construction/bps)

[10] Commercial buildings count from EIA’s 2012 Commercial Buildings Energy Consumption and commercial solar installations from GTM Research/SEIA’s “U.S. Solar Market Insight Report”

[11] GTM Research – U.S. PV Leaderboard

[12] U.S. Census Bureau 2010. Based on the percent of the population, in states where SCTY operates, that reside in zip codes serviceable by SolarCity. Excludes NY, TX, PA and Mexico

Appendix D: Definitions (1/2)

"Asset Financing in Period" represents the aggregate project financing cash receipts in a period. This includes (1) Tax Equity Investment, (2) Non-Recourse Debt Proceeds, such as our aggregation and MyPower facilities and solar asset-backed loans, and (3) Upfront Cash Rebates and Prepayments. Asset Financing per watt is a ratio of total Asset Financing in the Period divided by MW Deployed under Energy Contracts in the period, and reflects only actual cash received in a period whether or not they are specifically related to the actual MW Deployed in the period.

> **"Tax Equity Investment"** calculated based on the total cash receipts from our tax equity investment partners captured by (a) noncontrolling interests in subsidiaries, (b) lease pass-through financing obligations and (c) amounts assigned to the monetization of investment tax credit (ITC) revenues that we record either as deferred income tax credits revenues or as liability for advances received for future ITCs. We reduce the cash receipts in a period by any refunds we make to the tax equity investment partners in that same period.
>
> **"Non-Recourse Debt Proceeds"** is calculated based on all of the non-recourse project debt financing received in the period, which consists mainly of our aggregation facility debt, MyPower facility debt and solar asset-backed loans.
>
> **"Upfront Cash Rebates and Prepayments"** are calculated based on the cash receipts from both (a) upfront state rebates and (b) customer prepayments received, which we consider to be a source of asset financing, in the period.

"Customers" includes all residential, commercial and government buildings where we have installed or contracted to install a solar energy system, or performed or contracted to perform an energy efficiency evaluation or other energy efficiency services.

"Energy Contracts" includes all residential, commercial and government leases and power purchase agreements and consumer loan agreements pursuant to which consumers use or will use energy generated by a solar energy system that we have installed or contracted to install. For landlord-tenant structures in which we contract with the landlord or development company, we include each residence as an individual contract. For commercial customers with multiple locations, each location is deemed a contract if we maintain a separate contract for that location.

"Levered Project Cash Flow" represents our forecast of Unlevered Project Cash Flows after non-recourse debt service. Debt service includes both (a) Aggregation Facility debt for the first two years, based on the terms of our current facility, as well as (b) Solar Asset-Backed Loans, which we assume we issue at the end of year two to refinance the Aggregation Facility debt. We base the interest rate on the average of all four of our previous issuances and assume principal repayment over an 18-year term.

"Gross Project Cash Flow" forecast represent our estimate of the sum of total cash inflows we forecast from MW Deployed in the applicable period under Energy Contracts over the 30 year expected life of the system. This includes (a) payments that our customers are obligated to pay us over the remaining term of such contracts, (b) associated performance-based incentive (PBI) payments, (c) associated solar renewable energy credits (SRECs) that we have contracted to sell, typically representing 5 years of a total potential term of 15 years, and are net of (d) estimated operations and maintenance, insurance, administrative and inverter replacement costs, based on contractually agreed amounts as well as historic and forecasted expenses. Operations and maintenance, insurance, and administrative costs reflect our operating expenses in our funds, or are estimated at $0.021 per watt and assumed to grow at a 2.5% inflation rate per year, and inverter replacement unit costs are estimated to decline at a (2.5%) rate per year, implying $0.15 per watt in Year 11 and $0.12 per watt in Year 21. Energy production is estimated to degrade at 0.5% per year. For our MyPower Energy Contracts, we use the expected cash flows over the full term of the 30-year contract, and for lease and PPA Energy Contracts with terms less than 30 years, we assume the contracts are renewed at a contract price equal to 90% of the contractual price in effect at expiration of the initial term through the remainder of the expected 30-year system life.

Appendix D: Definitions (2/2)

"MW" or **"megawatts"** represents the DC nameplate megawatt production capacity.

"**MW Deployed**" represents the megawatt production capacity of solar energy systems that have had all required building department inspections completed during the applicable period. This metric includes solar energy systems deployed under Energy Contracts as well as for solar energy system direct sales.

"**MW Installed"** represents the megawatt production capacity of solar energy systems, for which (i) all solar panels, inverters, mounting and racking hardware, and system wiring have been installed, (ii) the system inverter is connected and a successful DC string test has been completed confirming the production capacity of the system, and (iii) the system is capable of being grid connected (including pending a utility disconnect procedure), the latest of which is completed during the applicable period. This metric includes solar energy systems deployed under Energy Contracts as well as for solar energy system direct sales. In each case in-period completion of the above criteria may be demonstrated by written verification by our President (which may include written sub-certifications).

"**MW PTO'd**" represents the megawatt production capacity of solar energy systems that have had all required building department inspections completed by the authority having jurisdiction and subsequently interconnected to the utility grid.

"PowerCo Portfolio" represents the cumulative MW Deployed under Energy Contracts that we have retained.

"Unlevered Project Cash Flow" represents our forecast of Gross Project Cash Flows after Tax Equity Lease/PPA Distributions for MW Deployed under Energy Contracts. "Tax Equity Lease/PPA Distributions" are based on the terms of the agreements we have in place with our tax equity investment partners for the MW Deployed in the applicable period under lease and PPA Energy Contracts. We do not use tax equity investment for our MyPower product. For tax equity investment in our lease and PPA Energy Contracts, our investment partners share in a portion of the Gross Project Cash Flow forecast received over the term of the agreement. Our estimate is not inclusive of any potential buy-out of our tax equity partners' interests in the project after Year 20.

"Pre-Tax Unlevered NPV" represents the net present value at a 6% discount rate of the Unlevered Project Cash Flow forecast (Gross Project Cash Flows after Tax Equity Lease/PPA Distributions) excluding the payment of income and other taxes. This includes both "Contracted Unlevered NPV," which represents the net present value of Unlevered Project Cash Flow under contract as well as "Renewal Unlevered NPV," which represents the net present value of Unlevered Project Cash Flow forecast from renewal of our lease/PPA contracts.

"Value of MW Deployed" represents the sum of (1) Tax Equity Investment, (2) Upfront Cash Rebates and Prepayments, and (3) Pre-Tax Unlevered NPV.

Thank you