



**SolarCity's Response to the City of Tempe's
Request for Proposals #13-080-03
For Solar Photovoltaic Electric Generating System at
Tempe Public Library**



Prepared By:

SolarCity Corporation
3834 E. Roeser Rd.,
Phoenix, AZ 85040

SolarCity Contact:

Larry Marchman
Senior Project
Development Manager
lmarchman@solarcity.com
(602) 206-3340

Project:

The City of Tempe
Library Complex

City of Tempe Contact:

Michael Greene, CPM
Michael_greene@tempe.gov
(480) 350-8516

ORIGINAL



December 1, 2014

Mr. Michael Greene
Procurement Officer
City of Tempe
20 E. Sixth Street
Tempe, AZ 85281

Dear Mr. Green,

SolarCity is pleased to submit this proposal in response to the City of Tempe Request for Proposals for Solar and Other Renewable/Alternative Energy. Thank you for taking the time to review our response. All information provided in this proposal should be treated as privileged and confidential. If any section of this proposal is to be released to the public, please inform SolarCity and allow us the opportunity to specify which information can potentially be made public and which information must remain privileged and confidential.

SolarCity is a rapidly growing entity, with over 7,000 full-time employees operating from 55 office/warehouses across the United States as of October 22, 2014. We currently have 7 operations centers in Arizona, including locations in Prescott Valley, Phoenix, Mesa, Gilbert and Tucson.

Incorporated in 2006, SolarCity quickly became a leader in Arizona's solar integration market, and is currently one of the largest solar installers in North America. As of September 30, 2014, our firm has deployed over 894 megawatts (MW) of solar PV systems throughout the country. In order to achieve this scale, SolarCity has raised more than 30 financing funds, which are sufficient to finance more than \$5 billion in solar projects. Our current project financing investors include industry leading financial institutions such as Capital One, Bank of America Merrill Lynch, Goldman Sachs, Credit Suisse, Google, and many more. This experience firmly cements SolarCity as one of the most experienced project financiers in the solar industry, with ample capital available to support the City's solar portfolio.

We have a history of partnering with cities to create clean energy systems and have completed dozens of municipal projects, including the City of Globe, City of Chandler, Navajo County, and City of Mesa. SolarCity understands that renewable energy sources must provide a lucrative return on investment in addition to offsetting the power required to operate municipal utilities. We propose to do just that for the City of Tempe.

Throughout this proposal we have sought to answer each of your questions thoroughly. Our rigorous dedication to quality and efficiency allow us to deliver cost-effective, well-managed projects that meet all of your renewable energy goals. We are highly qualified to install a job of the size and scope proposed by the City of Tempe and look forward to executing it on your behalf.

Larry Marchman, who has worked on hundreds of solar installations, will be the dedicated Project Development Manager for the City's projects. As a publicly-traded company, SolarCity is required to request all information provided in this proposal be treated as privileged and confidential. Consequently, please contact Larry for approval prior to publicly releasing any portion of this proposal. Pricing is valid until February 24, 2014. SolarCity will make every effort to honor pricing proposals beyond this time period as long as market conditions and commodity prices allow. If the City of Tempe anticipates that a longer time frame is needed, please contact Larry. Please direct any questions regarding the proposal to Larry at either (602) 206-3340 or lmarchman@solarcity.com. Thank you for your consideration.

Sincerely,

Lyndon Rive
Chief Executive Officer
SolarCity Corporation



1. Firm Overview



SolarCity (NASDAQ: SCTY) is a public corporation founded by Peter and Lyndon Rive in June 2006. Peter and Lyndon built SolarCity with the mission to help homeowners and businesses adopt clean power, protect themselves from rising gas and electricity costs, and protect their environment from polluting power sources. As of September 30th, 2014, our firm has deployed over 894 megawatts (MW) of solar PV systems throughout the country. As of that same date, the number of cumulative customers grew to over 168,000, up 105% from over 82,000 a year ago. As a result of this success, our estimated nominal contracted payments remaining has grown to \$4.1 billion and our forecast of retained value to \$2.2 billion as of the end of the third quarter of 2014.

As a full-service provider of turnkey solar solutions, we offer in-house custom design, engineering, construction, financing, ongoing system monitoring, system operation and maintenance. Our projects range from residential PV systems to rooftop, ground-mount and single- and double-axis trackers for private and public sector clients. As of September 30, 2014, we have more than 168,000 customers and 894 cumulative MW deployed of solar energy projects in the US. We currently have more than 50 offices and regional operating centers spread across 15 states and DC.

Our innovative financing, project management system, and supply volume have allowed SolarCity to provide the highest quality installations at the lowest price to our customers. This provides savings to thousands of homeowners, businesses, schools, governments, and non-profit organizations, making SolarCity the solar energy provider of choice. Among SolarCity's clients are eBay, HP, Intel, Walmart, the Oregon University System, Maui Arts & Cultural Center, and the U.S. Armed Forces.

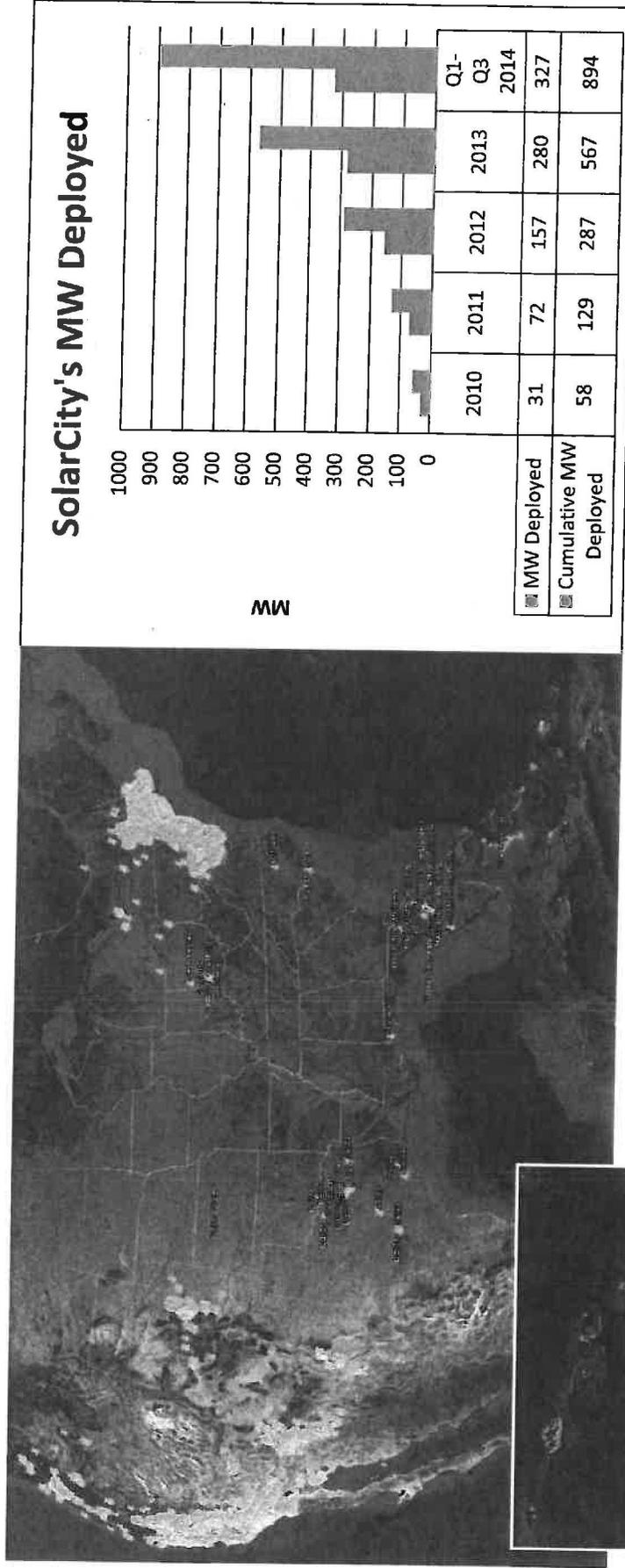
SolarCity Company Information	
Date and State of Incorporation	June 21, 2006 in Delaware
Ownership Status	Public (NASDAQ: SCTY)
Total Cumulative MW Deployed	894 MW as of September 30, 2014
Number of employees	More than 7,000 as of September 30, 2014
Countries of Business	USA
States of Business	AZ, CA, CO, CT, DC, DE, HI, MA, MD, NJ, NM, NY, OR, PA, TX, WA
Target Client Sector	Government, Commercial, Municipal, Education, and Residential
Custom Services Offered	In-house design, engineering, permitting, financing, installation, monitoring, energy storage, operations and maintenance.



National Experience

Our diverse project portfolio has propelled us to become America's number one full-service solar provider in just 8 years. As of September 30, 2014, SolarCity has deployed 894 MW of PV systems for more than 168,000 customers across the country. Our cumulative portfolio has seen growth of more than 10x from the 58 MW we had in 2010. This provides both a long-term recurring revenue stream and a logistics expertise that is necessary to provide Operations & Maintenance (O&M) services for the life of the PV systems.

The image below shows the completed projects that SolarCity has deployed, most of which are also under our Operations & Maintenance (O&M) care. Our O&M staff and fleet of 2,000+ vehicles spread across our 50+ locations provide support to these systems. We are opening 20 new locations by the end of 2014 to generate quicker response times, allowing our staff to be within 30 miles of 95% of our customers.



Cumulative and year-on-year MW deployed by SolarCity with corresponding map of these installations in the US, as indicated by the yellow plots on the left.

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 SolarCity | 3834 E. Roeser Rd., Phoenix, AZ 85040 | ROC 243771 | www.solarcity.com

Government Sector Experience



SolarCity has completed more than 1,000 government and commercial projects as of September 10, 2013. Our service territory spans the entire United States from the East Coast to Hawai'i, and as we continue to expand that territory, our knowledge of and experience with many more AHJs expands in tandem. A key component of our ability to continually enter new territories is the hard work of our permitting team, which represents SolarCity at the permit counter and at city inspection. The permitting team maintains a permitting database of notes on each and every AHJ we have worked with, and because of their overall work, SolarCity has built a reputation of having the highest quality permitting plan set and the most knowledgeable permitting and inspections team in the solar industry. Below is a sample of the cities and counties with which we have completed projects.

Municipal Entity	Locations	Mount Type(s)
City of Chandler, AZ	City Buildings	Car Port
City of Denver, CO	City buildings	Roof
City of Lancaster, CA	City buildings, schools, recreation centers, local businesses	Ground, Roof and Car Port
City of McFarland, CA	Waste treatment plant	Ground
City of Mesa, AZ	Schools, recreation center, library, fire station, police department	Car Port
City of Roseburg, OR	Police Department	Roof
City of Sacramento, CA	City buildings, police station, water treatment plants	Ground, Roof and Car Port
City of San Jose, CA	City buildings, libraries, recreation centers	Roof and Car Port
City of Tempe, AZ	Water treatment plant	Ground
Crook County, OR	City buildings, museums, libraries, police station, fairgrounds	Ground and Roof
Navajo County, AZ	Government complex and jail	Ground
Queen Anne's County, MD	Town property	Ground
South Central Regional Water Authority	Reservoir	Ground
SUNY Cortland	School	Ground and Roof
Town of Danville, CA	Town offices and buildings, parks	Car Port
Town of East Bridgewater, CA	Town Property	Ground
Town of Glastonbury, CT	Schools and park	Roof
Town of Westport, CT	Municipal building and golf course	Roof
Town of Windsor, CT	Schools	Roof

3. Pricing Proposal

SolarCity's pricing for the Solar Services Agreement (SSA) options described below includes all of the following: site audit, engineering design, rebate processing, permitting, materials (solar modules, inverter, balance of system), all aspects of installation (clearing, grading, trenching, paving, construction, electrical upgrades/connections, payment of prevailing wages) incidentals, commissioning, interconnection, monitoring, servicing, as well as performance warranty.

a. Standard SSA

City of Tempe Site	kW DC	Year 1 Annual kWh	\$/kWh	Annual escalator
Library	594	997,326	\$0.077	0.0%
History Museum	308.5	532,471	\$0.076	0.0%
History Museum (superstructure)	387.3	659,874	\$0.083	0.0%
Adult Recreation Center	78.8	127,811	\$0.099	0.0%

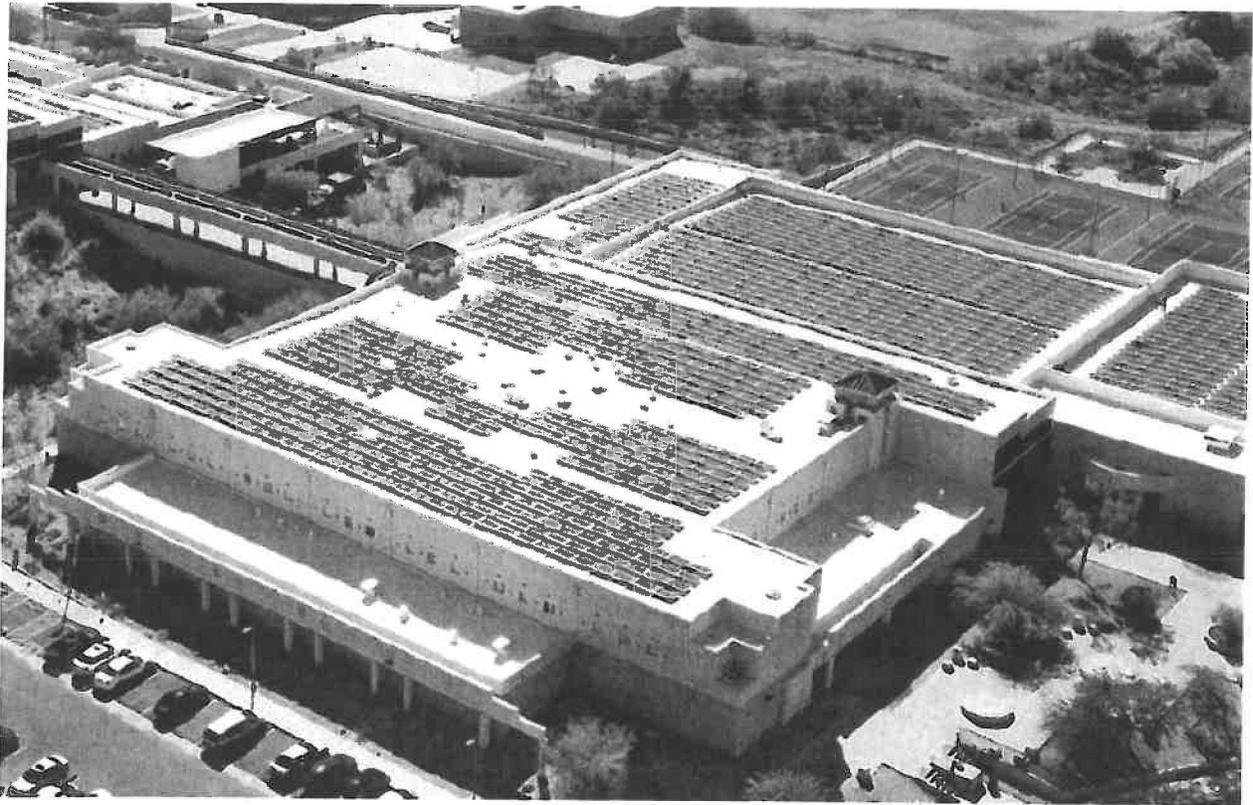
b. Prepay SSA

City of Tempe Site	kW DC	Annual kWh	\$/kWh	Prepayment	Annual escalator
Library	594	997,326	\$0.061	\$106,341	0.0%
History Museum	308.5	532,471	\$0.059	\$55,368	0.0%
History Museum (superstructure)	387.3	659,874	\$0.065	\$75,593	0.0%
Adult Recreation Center	78.8	127,811	\$0.078	\$17,457	0.0%

c. Cash Purchase

City of Tempe Site	kW DC	Annual kWh	Purchase price
Library	594	997,326	\$1,167,210
History Museum	308.5	532,471	\$614,532
History Museum (superstructure)	387.3	659,874	\$832,588
Adult Recreation Center	78.8	127,811	\$188,606

6. References



Scottsdale Unified School District	
Location	Scottsdale, AZ
System Type	Roof Mount
Project Size	More than 2.2 MW Total Capacity 4 High Schools
Status	Operating Completed in 2011
Contact	Rick Freeman Director of Facilities (480) 484-8502 rfreeman@susd.org 3811 N. 44th Street Phoenix, AZ 85018

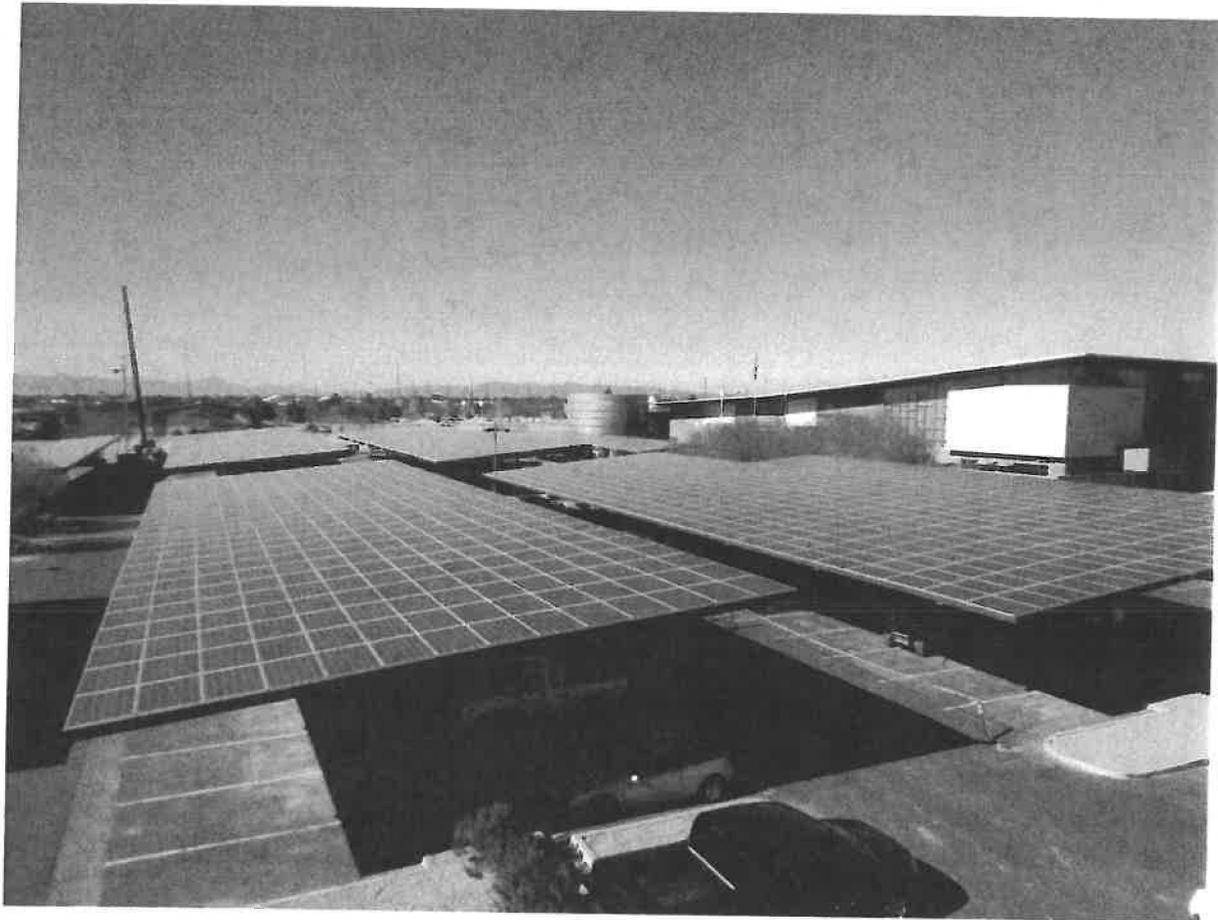
Please see <http://www.solarcity.com/commercial/portfolio/education/scottsdale-unified-school-district.aspx> for more information.

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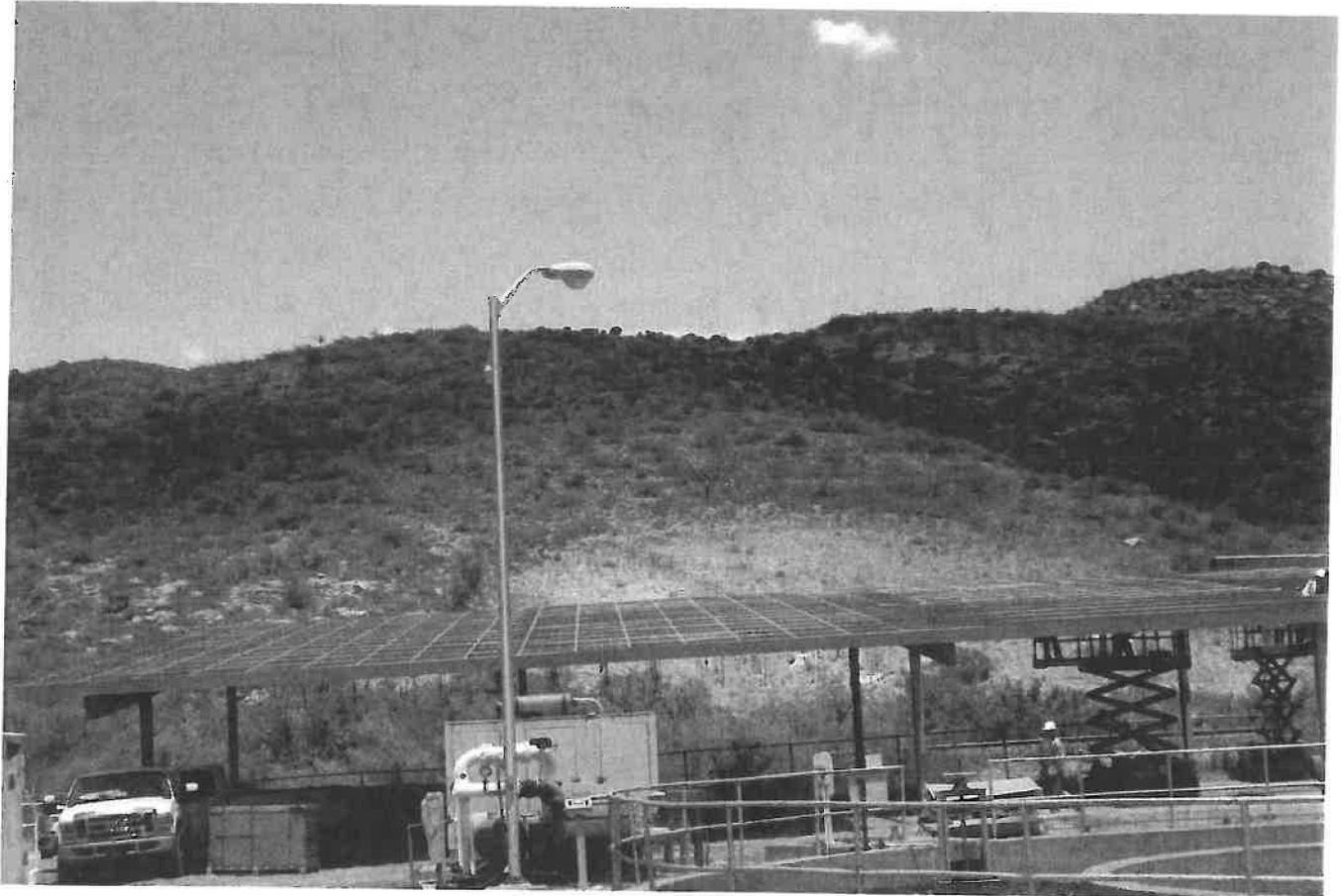
Laveen Elementary School District

System Type	Car Port
Project Size	More than 2 MW Total Capacity 7 Elementary Schools
Status	Operating Completed in 2014
Contact	Eric Peterson Capital Projects Coordinator (602) 237-9100 x 2042 epeterson@laveeneld.org 4141 West McNeil St Laveen, AZ 85339



City of Chandler, AZ	
Location	Chandler, AZ
System Type	Car Port
Project Size	1.7 MW Total Capacity 5 City Buildings
Status	Operating Completed in 2014 Several more sites underway
Contact	Marian Norris Assistant to City Manager (480) 782-2216 Marian.Norris@chandleraz.gov 175 S. Arizona Ave. Chandler, AZ 85225

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City of Globe, AZ

Location	Globe, AZ
System Type	Car Port
Project Size	Over 495 kW 1 City Site
Status	Operating Completed in 2012
Contact	Matt Rencher Director of Public Works (928) 425-4959 Mrencher@globeaz.gov 1248 S. Hagen Rd. Globe AZ 85501

Tempe Library Complex
SolarCity Draft Schedule

ID	Task Name	Duration	Start	Jan '15	Feb '15	Mar '15	Apr '15	May '15	Jun '15	Jul '15	Aug '15	Sep '15
1	Tempe Library Complex Draft Project Schedule	163 days	Thu 1/15/15	28	4	11	18	25	1	8	15	22
2	City Council Project Approval	0 days	Thu 1/29/15	15	22	1	8	15	22	29	5	12
3	Notice to Proceed	0 days	Mon 2/16/15	15	22	1	8	15	22	29	5	12
4	Design & Permitting	60 days	Mon 2/16/15	15	22	1	8	15	22	29	5	12
5	Engineering	60 days	Mon 2/16/15	15	22	1	8	15	22	29	5	12
6	Site Audits	3 days	Mon 2/16/15	15	22	1	8	15	22	29	5	12
7	Underground Scans	2 days	Mon 2/16/15	15	22	1	8	15	22	29	5	12
8	Drafting	15 days	Wed 2/18/15	15	22	1	8	15	22	29	5	12
9	City Review	5 days	Wed 3/11/15	15	22	1	8	15	22	29	5	12
10	Neighborhood Review	30 days	Wed 3/18/15	15	22	1	8	15	22	29	5	12
11	Designs and Engineering	30 days	Mon 3/23/15	15	22	1	8	15	22	29	5	12
12	Permit in Hand	5 days	Mon 5/4/15	15	22	1	8	15	22	29	5	12
13	Construction	81 days	Mon 5/11/15	15	22	1	8	15	22	29	5	12
14	Library	40 days	Mon 5/11/15	15	22	1	8	15	22	29	5	12
35	Pyle ARC	20 days	Mon 7/6/15	15	22	1	8	15	22	29	5	12
55	Museum	41 days	Mon 7/6/15	15	22	1	8	15	22	29	5	12
75	Project Completion	0 days	Mon 8/31/15	15	22	1	8	15	22	29	5	12

Not For Construction

