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Source: Bloomberg New Energy Finance

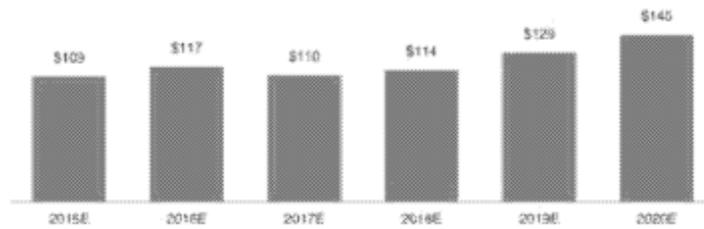
(1) We expect our future markets to include other markets in Asia (except Japan), Africa, Latin America and the Middle East.

(2) Other includes markets in North America, Oceania, Japan and Chile.

Annual solar energy installations in our initial target markets are expected to add more than 179 GW between 2014 and 2020, representing a CAGR of 32%.

From 2015 to 2020, 399 GW of aggregate solar energy generation capacity is expected to be installed globally, requiring total investments of approximately \$723 billion. The following chart reflects the expected total annual investment in global solar energy installations from 2015 to 2020:

Total annual investment in global solar capacity (in billions), 2015–2020



Source: Bloomberg New Energy Finance

Solar energy segments

Solar energy systems can be classified into four segments: (i) utility-scale; (ii) commercial and industrial, or "C&I"; (iii) residential; and (iv) off-grid. We are primarily focused on the first two of these segments. The utility-scale segment represents projects where either the purchaser of the electricity or the owner of the system is an electric utility. The C&I segment represents commercial firms, industrial companies, academic institutions, government entities, hospitals, non-profits and all other entities that are neither a utility nor a residential customer that purchase solar power directly from a generation company or a solar power plant. The residential segment represents residential homeowners with solar energy generation capabilities. The off-grid segment specifies projects that serve energy demand that is not interconnected with the electricity grid.

In the C&I segment, most commercial or industrial firms do not own the solar assets, but rather sign a PPA with a generation company that owns the assets. Demand for C&I and residential solar is driven largely by customers' desire for contracted long-term energy prices, corporate "green" initiatives, state and federal incentives and/or net metering policies.

While solar utility projects compete with other wholesale generation plants, solar energy in the C&I and residential markets competes with the retail price of electricity. The retail electricity price includes generation costs, as well as transmission and distribution charges. Solar generating assets can be located at a customer's site, which reduces the customer's transmission and distribution charges and allows these distributed solar generation assets to compete favorably with the retail cost of electricity. By competing with the retail price of electricity, solar energy is able to reach grid parity and reduce customer electricity costs.