MESSAGE FROM THE BOARD CHAIRMAN

Dear Solar Industry,

There is a lot of cause for celebration and concern in the U.S. solar industry today. We can all celebrate that solar is the largest source of new power generation in the U.S. and costs less than traditional fossil fuels in many parts of the country. Investors continue to highly value the secure long-term cash flows that solar systems provide, as well as the tax credits they receive. Consequently, solar installation growth continues at a rapid pace across the industry. Solar is no longer an ‘alternative’ energy source. The negative by-products of this fast growth and improving competitiveness are shrinking margins and over-leverage for some solar companies, resulting in headline bankruptcies, corporate restructuring, and surprise mergers. Regrettably, over the last twelve months, restructuring, and surprise mergers.

SEIA’s total annual revenue has grown by 15 percent. In the past three years alone, total year-over-year revenue by more than 50 percent. SEIA’s operating budget has never been stronger, and yet the policy challenges we face have never been greater.

New challenges call for new leadership, and we are excited to welcome Abigail Ross Hopper as CEO of SEIA. She has the unique and directly applicable experience of leading a federal energy agency, a state energy administration, and serving as the deputy general counsel of a state public utility commission. Abby has built coalitions to achieve policy success, crossing party lines, bringing together state and federal authorities, and working with diverse industry participants. Abby will lead us to more policy wins.

Independent of business model, technology type, position in the value chain, or customer served, the solar industry and our individual companies will grow faster and more profitably when we work together. Thank you for your support of SEIA.

Sincerely,

Nat Kreamer
Chairman of the Board of Directors

MESSAGE FROM THE EXECUTIVE VICE PRESIDENT

SEIA Members,

In looking back across the many SEIA accomplishments of last year, our team decided to focus this annual report on ten, using primarily graphics to exemplify the spirit and breadth of SEIA’s record-breaking year.

The full list of accomplishments of SEIA staff are too numerous to capture in one report, but this Top 10 showcases the expertise and firepower needed to move us further toward our goals during 2017. I am very confident that our incoming president and CEO Abigail Ross Hopper is ready to lead our industry into an era of increasing growth and maturity.

Our 2016 accomplishments run the gamut, from victory on Amendment 1 in Florida, to SEIA’s Million Solar Strong campaign, from new codes and standards work, to innovative SEIA consumer protection initiatives. We are also proud of our commitment to sustainability and diversity, building an industry and trade association that delivers on environmental benefits for all communities and creates jobs for diverse Americans.

SEIA continued to expand its support for your business in 2016 and that will continue in 2017. For example, we enhanced our research reports to keep you informed on market conditions and are continuing to make new data available to you in more usable forms. SEIA launched a new event series on women’s empowerment and regional events to activate new markets. And we launched a new solar financing council right at the start of the new year.

The new year brings new questions and opportunities with leadership changes in the White House and tax reform on the agenda Congress, as well as the dynamic business environment addressed by Chair Nat Kreamer in his note. Each year, I am increasingly confident that innovative, non-partisan, low-cost solar is the winning choice for our nation’s energy infrastructure regardless of who is in power in Washington. SEIA is as active as ever here in the nation’s capital, in statehouses across the country, and in truly national cross-cutting areas that impact your business.

Thank you for your continued support of SEIA. Your membership, your participation and your activism when we call upon you is the reason for our success. Let’s celebrate 2016 while gearing up for 2017 to outshine all others.

Sincerely,

Tom Kimbis
Executive Vice President
& General Counsel
# Solar Industry Growth and Adoption

SEIA-sponsored reports continue to reflect record industry growth and widespread adoption of solar.

## Million Solar Strong

The solar industry marks a huge accomplishment and becomes Million Solar Strong.

## SEIA Achievements in the States

SEIA continues to fight for strong solar policies across the U.S.

## Consumer Protection Makes Big Strides

SEIA spoke about consumer protection at the Federal Trade Commission Workshop and publishes significant responsibility.

## PV Recycling Program

The new PV Recycling Program demonstrates the industry’s commitment to corporate sustainability and responsibility.

## Membership on the Rise

SEIA eclipses ambitious membership growth projections.

## 18,000 Descend on Las Vegas for SPI

General Sessions addressed controversial topics and pushed the boundaries of what solar can achieve.

## Record Media Hits in 2016

SEIA’s media hits increase by more than 45% from 2015 and prominent features in the Washington Post and the Wall Street Journal.

## SEIA’s All About Sustainability, Diversity, Empowerment

SEIA launches sustainability initiative and leads solar diversity efforts with Women’s Empowerment Series and Diversity Guidelines.

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SEIA-Sponsored Reports Continue to Reflect Record Industry Growth and Widespread Adoption of Solar

Every year, it seems the solar industry is breaking new records and while the final results are not in, we will easily have exceeded 10 gigawatts of new solar energy in 2016 for the first year ever. And solar also means business. Our Solar Means Business report tracking corporate retail installations saw Target take the top spot in a year in which more American businesses were installing solar than ever before. SEIA’s commitment to research is highlighted in the news dozens of times each month and helps tell the great story about solar energy.

### SOLAR’S BIGGEST QUARTER IN HISTORY...

#### 2016 Q3

NOW ENOUGH CAPACITY TO POWER **6.5 MILLION HOMES**

THE INDUSTRY IS ON PACE TO GROW 88% YEAR-OVER-YEAR IN 2016

SOLAR ACCOUNTED FOR 39% OF ALL NEW ELECTRIC CAPACITY ADDED TO THE GRID IN Q3 2016

#### Q3 2016 SOLAR'S BIGGEST QUARTER IN HISTORY...

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- **SOLAR ACCOUNTED FOR 39% OF ALL NEW ELECTRIC CAPACITY ADDED TO THE GRID IN Q3 2016**

#### 2016 ANNUAL REPORT | 7
Early in 2016, the solar industry reached an incredible milestone: installing the 1 millionth solar system in the United States.

This achievement seems like a lifetime ago since we are now sprinting toward 2 million installations, but it was a product of American ingenuity and innovation, and demonstrated not only how far we’ve come as an industry, but also what lies ahead. It took more than 40 years to reach 1 million installations, but it will take just 2 more years to hit 2 million.

To celebrate this historic accomplishment, SEIA brought together a diverse coalition of allies and advocates to mark the 1 millionth installation with an expansive outreach campaign. We utilized social and traditional media to get the word out, encouraging people to share photos and videos. We drafted a Million Solar Strong declaration that received the support of more than 80 companies and organizations. In the end, we reached more than 100 million people on social media and garnered lots of positive attention in the press. Thanks to help from our coalition partners, it was an extremely successful campaign that demonstrated the incredible growth of solar in the U.S.
In the months leading up to the November election, SEIA met with both campaigns to make sure they understood the value of solar energy in today’s economy. Following Trump’s election, SEIA conducted additional outreach with the transition team to reiterate our message. SEIA remains well-positioned to engage with the Trump administration because ours is a story of job creation, investment and American innovation. The solar industry is in a period of healthy growth, and the jobs and economic activity it is creating is something our new president can take pride in and support. Additionally, because of our strategic communications, this message was the one that made it into the nation’s leading news outlets following the election.

As we look forward to 2017, we have repeatedly emphasized in our discussions with policymakers in both parties that solar is a natural fit with those who want to make our country stronger, more robust and more energy independent.

WE’VE BEEN ACTIVE IN THE PRESS GARNERING...

381 MENTIONS

IN STORIES THAT ALSO NAME

DONALD TRUMP

HAVING A

SEIA

OFFICIAL QUOTED BY NAME IN...

285 OF THOSE STORIES BETWEEN ELECTION DAY AND DECEMBER 22
**TEXAS**
SEIA’s work led to a settlement in the El Paso Electric rate case, which defeated the utility’s proposal to put solar customers into a separate rate class and impose residential demand charges. We are also actively engaged in dockets at the Public Utilities Commission and ERCOT that affect how utility-scale solar is treated in the Texas electric market.

**FLORIDA**
SEIA worked with a variety of local and regional partners to defeat the deceptive anti-solar Amendment 1, despite a $26 million campaign by Florida utilities. Polling in early October showed 72 percent of residents in favor of Amendment 1. By late October, we had begun to change the narrative. The race was tightening significantly, generating coverage in and out of the state. We conducted targeted advertising, highlighted the issue in social media, leveraged the good work of allies, and activated our 1,800-person Solar Power Advocacy Network in Florida. Just before the election, SEIA deployed a team to barnstorm the state on a 3-day media tour, which generated coverage on major stations, including Tampa Fox 13, ABC Action News, and others.

**COLORADO**
SEIA helped engineer a settlement across three key regulatory proceedings that rejected a proposed increased monthly fixed charge, doubled the market for residential and C&I solar, and ensured that member companies can compete in Xcel’s new community solar program.

**CALIFORNIA**
California’s January 2016 decision extending NEM through at least 2019 drew on SEIA’s expert witness testimony and advocacy. With this important victory, we have been pushing to make sure we reach the 50% RPS won in 2015 through continued work on implementation, rate design and grid integration. In 2016 and into 2017 we will be working to stop unreasonable time-of-use rates, prevent fixed charges and demand charges and retain solar-friendly rate schedules. SEIA has engaged in a number of other proceedings, including on grid modernization and the creation of a new carbon-based integrated Resource Planning process.

**MASSACHUSETTS**
The Massachusetts legislature had been stalled for two years on negotiations to raise the state’s cap on Net Metering. SEIA implemented a 5-point plan (direct lobbying, PAC fundraising, grassroots, communications and research) to pressure the legislature. We helped to recruit 100 House members to sign onto a Dear Colleague letter to pressure the legislature. We helped urging leadership to raise the cap. Using earned and paid media, we policymakers. On March 29th, we worked with local allies to build pressure on state front line day, backed up by new research on stalled investment in projects, that coincided with a paid advertising blitz. Days later, legislation was introduced and was signed by Governor Baker in early April.

**NEW YORK**
SEIA leads a coalition to maintain net metering for residential and small commercial rooftop customers until 2020, establish fair, value-based compensation for larger solar projects, and establish a community solar market in New York. We continue to engage with state regulators on the state’s regulatory overhaul, known as Reforming the Energy Vision (REV). One area of focus for REV include designing successful, new ways to treat solar under the new compensation framework, ensuring that procurement guidelines for the 50% CES take into account factors beyond price to provide opportunities for utility-scale solar, and advocating for fair treatment of solar in overhauling the utility business model.

**INDUSTRY LEADERSHIP**
NARUC: SEIA sponsored all three conferences of the National Association of Regulatory Commissioners (NARUC) this year to further our relationships with state regulators and energy professionals both in and beyond our high priority states. SEIA held three Solar breakfasts on topics ranging from low income solar to community solar to grid modernization. The breakfasts attracted the participation of nearly 200 attendees, including 30 State Commissioners from 22 States and U.S. Territories. States are increasingly looking to SEIA for leadership and information about solar policy and deployment.

Net Metering: SEIA is providing thought leadership on NEM 1.0 defense, criteria for consideration of NEM 2.0/3.0, and long-term valuation of DERs. Sean Gallagher assembled a nationwide group of DG advocates at SPI, and a follow-on discussion was held in San Francisco in October, intended to lead to updated SEIA NEM principles that have national support.

PURPA: SEIA’s Katherine Gensler brought together member companies and advocates at SPI to scope out PURPA defense work in Congress and the states. SEIA’s PURPA Working Group has filed comments at FERC on PURPA implementation.

Low Income: SEIA is developing principles for expanding low income solar access, and has begun a webinar series on low income solar access.
CONSUMER PROTECTION MAKES BIG STRIDES

At the Federal Trade Commission Workshop, Publishes Significant Resources

As an association that represents a fast-growing industry, it is imperative that SEIA continue finding ways to foster healthy competition and make consumer protection a top priority. In 2016, SEIA developed a variety of resources to assist in this effort, including our Residential Consumer Guide to Solar Power, which provides clear information to potential customers and standardized disclosure forms, which increase transparency.

In June, the Federal Trade Commission hosted a workshop focused on competition and best practices in the industry. SEIA and our members and allies participated at a high level to educate the FTC on our consumer protection efforts and demonstrate that the industry is taking proactive steps to self-regulate.

NEW PV RECYCLING PROGRAM

Demonstrates the Industry’s Commitment to Corporate Sustainability and Responsibility

As the national trade association for solar, SEIA is dedicated to leading by example when it comes to best practices for sustainable growth in the industry. With an exponential rise in the adoption of solar energy worldwide, managing the waste stream for PV panels is critical to ensuring the long-term health of our industry.

To facilitate this important work, SEIA established a first-of-its-kind platform to make it easier for companies and consumers to select a cost-effective and environmentally responsible solution for recycling PV panels. The SEIA National PV Recycling Program chooses preferred vendors that offer specific pricing benefits to our member companies. This program will create added incentives for responsible end-of-life management of PV panels.

Furthermore, SEIA is planning proactive waste management strategies to make the entire industry landfill-free. This includes providing a portal for system owners and consumers to know how to responsibly recycle their PV systems and investing in research and development for recycling technologies.

We’re not just thinking about how to take back and recycle PV – we’re thinking about how to repurpose a panel’s components into new products for a better future.

WITH AN EXPONENTIAL RISE IN THE ADOPTION OF SOLAR ENERGY WORLDWIDE

MANAGING THE WASTE STREAM FOR PV PANELS IS CRITICAL

SEIA IS PLANNING PROACTIVE WASTE MANAGEMENT STRATEGIES

SOLAR PANELS CAN LAST FOR DECADES...

20-25 YEAR WARRANTIES & USEFUL LIFE ESTIMATES ADD ANOTHER 10-20 YEARS

TO MAKE THE ENTIRE INDUSTRY LANDFILL FREE
MEMBERSHIP ON THE RISE

We added more than 285 members in 2016.

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<td>2011</td>
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<td>2014</td>
<td>285</td>
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<td>2015</td>
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THANKS TO OUR BOARD OF DIRECTORS

SEIA’s consistent strength as an association and year-over-year growth is due in large part to continued support from our Board of Directors. Thanks to our Terawatt-level member companies for providing service, leadership and direction.

- 8minutenergy Renewables
- Blattner Energy
- Cypress Creek Renewables
- EDF Renewable Energy
- E.ON North America
- First Solar Inc.
- Hudson Clean Energy Partners
- Mortenson Construction
- NEXTracker
- NRG Energy
- Recurrent Energy
- Rockwood Management Corporation
- SolarCity
- sPower
- Spruce
- Sunlink Corporation
- SunPower Corporation
- Sunrun Inc.
- Sunstreet Energy Group
- Swinerton Renewable Energy
- Total New Energies USA
- Trina Solar
- US Bancorp
- Vivint Solar

A special thanks to our newest at-large board members for joining us in 2016.

In 2016, we have more than doubled our dues revenues since 2010.
18,000 people descend on Las Vegas for SPI

In addition to creating business opportunities for our members, Solar Power International was a major financial success for SEIA. The show floor was buzzing and panel discussions were packed.

General sessions addressed controversial topics and pushed the boundaries of what solar can achieve. The headline events included a wide array of voices that all agreed on one fundamental truth: solar is growing rapidly, and the industry needs smart, stable policies to continue providing clean affordable energy to the masses.

Panels covered a massive range of topics, including consumer protection, the net Metering battles, industry branding, challenges with customer acquisition and post ITC federal policy.

SEIA held two brand new pre-conference workshops that were extremely well received, building on our recent work with codes and standards and Property Assessed Clean Energy financing for the commercial solar sector.

“ALL AGREED ON ONE FUNDAMENTAL TRUTH: SOLAR IS GROWING RAPIDLY”
**Record Media Hits in 2016**

According to Meltwater News, we garnered more than...

15,000

**News Hits in 2016**

This was the most we have ever had in 1 calendar year by a wide margin...

3,000

More hits than previous record holder, 2014

We were able to use the news media to get our messages about the strength of solar following Donald Trump’s election victory in more than 600 stories.

WE HAD PROMINENT STORIES PLACED IN:

- The Washington Post
- The Wall Street Journal
- Bloomberg
- POLITICO
- Los Angeles Times

15,000+

Media Hits in 2016...

In more than 600 stories, we were able to use the news media to get our messages about the strength of solar following Donald Trump’s election victory in more than 600 stories.

**Media Mentions Over the Years**

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<td>2016</td>
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**Media Mentions in 2016**

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**Media Mentions in 2016**

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SEIA’s All About Sustainability, Diversity, Employment

SEIA Leads Solar Diversity Efforts with Women’s Empowerment Series and Diversity Guidelines

SEIA is committed to building an organization and an industry that reflects the environmental stewardship of solar energy and the cultural diversity of the broader U.S. workforce. 2016 was a year of significant progress on these fronts, with the launch of several new programs and initiatives. SEIA launched our internal Sustainability Team to develop and implement organization-wide policies that improve upon our environmental, social and economic sustainability. The most notable of these accomplishments was the purchase of Solar Renewable Energy Credits (SRECs) from a facility in Georgia that match 100% of the energy usage of our Washington, DC office.

In addition, SEIA’s Women’s Empowerment Series began in earnest with events in San Francisco and Washington, DC. These events showcase the incredible work being done by female leaders in the solar industry, and position SEIA at the forefront of building a more inclusive workforce for solar. Working with member companies, SEIA also developed a Best Practices Guide for Hiring Diversity in the Solar Industry, which provides concrete steps that solar companies can take to ensure that they are expanding opportunities for communities of color, women, military veterans, and many more.

“2016 was a year of significant progress.”