

## **RMP Data Request 2.8**

Please provide the documentation or other information necessary to show the amount of compensation paid to Vivint sales force employees, including the hourly rates, monthly and yearly salaries, and any commissions paid from January 1, 2012 to the present.

### **Supplemental Response to RMP Data Request 2.8**

In spite of objections and without waiving them, Vivint Solar provided its publicly filed SEC Form 8-K and 8-K Exhibits, filed on May 09, 2017. Without waiving its objections, Vivint Solar compensates its sales employees primarily on a per watt basis based off of the per watt installed solar system size. For the quarter ending March 31, 2017, the responsive documents show that Vivint Solar's cost per watt was \$2.98. Additionally, as shown in Vivint Solar's investor presentation slide 7 below, which accompanied the 8-K filing on May 09, 2017, Vivint Solar's cost per watt breakdown for the first quarter 2017 was as follows (link below):

- General and Administration - \$0.39/watt
- Sales - \$0.65/watt
- Installation (including equipment) - \$1.94/watt

Slide 7 shows Vivint Solar's cost per watt breakdown and "Sales" costs dating back to the Fourth Quarter of 2014. (**Vivint Solar did not begin offering rooftop solar systems in Utah until early 2015.**)

For the quarter ending March 31, 2017, all Vivint Solar's sales and marketing expenses cost the company \$0.65 per watt. This means that for an average 7.0 kW residential PV system, Vivint Solar spent approximately \$4,500 on sales and marketing.

[http://s2.q4cdn.com/820306591/files/doc\\_presentations/Q1/VSLR\\_Q1\\_2017.pdf](http://s2.q4cdn.com/820306591/files/doc_presentations/Q1/VSLR_Q1_2017.pdf)

## **RMP Data Request 2.11**

Please provide the documentation or other information showing the cost to install solar panels and the associated system supplied by Vivint to residential customers and showing the payment options Vivint's customers are given to either pay for the system or pay to use the system in this state.

## **Supplemental Response to RMP Data Request 2.11**

Without waiving its objections, Vivint Solar provides the following information:

See Vivint Solar's response to RMP Data Request 2.8 above for a breakdown of Vivint Solar's costs of installation per watt for a solar system. For example, if Vivint Solar installed a solar system in March 2017, it would have cost Vivint Solar approximately \$1.94 per watt for the installation and equipment, \$0.39 per watt for general and administration, and \$0.65 per watt for sales and marketing, for a total of \$2.98 per watt. This means that to acquire a customer, procure the equipment, and install an average 7.0 kW residential PV system, Vivint Solar spent approximately \$20,680.

The \$2.98 per watt is an upfront cost number and does not reflect the long-term costs to service a customer, and does not include state sales tax on equipment purchased. Historically, for even sales of residential PV systems, Vivint Solar agrees to provide operations and maintenance for at least 10 years, and warranty and customer support for 20 years. These costs vary by period and customer type.

Currently, Vivint Solar only offers customers in Utah cash or financed options to purchase a solar energy system. If a customer elects to finance their system, the payment terms, interest rate, and lender fees vary depending on that customer's contract with the third-party financing company.

Currently, Vivint Solar offers customers in Utah a price between \$3.20 and \$3.80 per watt. The final price depends on several factors, including but not limited to: (i) sun exposure, (ii) roof type, (iii) system size, (iv) equipment selection, (v) cash down payment; (vi) selected financing, (v) structural and electrical upgrades, and (vi) other variances based on location, home, or roof replacement options. This means that for an average 7.0 kW residential PV system where the customer purchases for cash with basic equipment, the purchase price would be approximately \$3.20 per watt or approximately \$22,400. Accordingly, Vivint Solar's operating margin on the sale of such average system is approximately \$1,100 after taking into account state sales tax; *provided* that such operating margin does not take into account long-term servicing costs, as described above.