

F R O S T & S U L L I V A N

2024 COMPETITIVE STRATEGY LEADER

*IN THE NORTH AMERICAN
RESIDENTIAL SOLAR INDUSTRY*

F R O S T & S U L L I V A N

BEST
2024 PRACTICES
AWARD



Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Palmetto excels in many of the criteria in the residential solar space.

AWARD CRITERIA	
<i>Strategy Innovation</i>	<i>Customer Impact</i>
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

Prioritizing Customer-centric Development: Palmetto’s Key to Success

Palmetto is a rapidly growing technology firm based in Charlotte, North Carolina. Since its establishment in 2010, the company has developed a comprehensive technology platform and software to assist businesses in promoting renewable energy sources to homeowners. Palmetto has been at the forefront of making clean energy more accessible to the public, driving environmental impact at scale, and inspiring other businesses and cleantech entrepreneurs to innovate. In 2021, the company introduced the Get Solar, Give Solar program, beginning with a \$5 million pledge to Solar Sister. Palmetto’s philanthropic partnerships aim to combat climate change by providing access to solar energy in underprivileged communities.

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- Lucrecia Gomez
Energy & Environment Research Director

Pioneering Market Innovations

Palmetto is committed to leading the world towards a cleaner and more sustainable future by building technology that lowers barriers to and drives the adoption of clean energy at scale. At the core of the company’s strategy lies Palmetto’s Clean Energy

Operating Platform, which coordinates all the relevant aspects of the switch from traditional power sources to renewables like solar. The platform takes a digital-first approach to residential energy ownership, leveraging data intelligence and connecting a comprehensive software tool suite that simplifies the homeowner’s purchasing experience from sales to permitting and design, installation, and

system activation. By reducing the soft costs traditionally associated with solar, Palmetto can pass these savings on to consumers.

Palmetto's technology is used by a broad network of solar dealers and installers to streamline their sales operations, utility companies to provide data-driven insights on grid planning, and other big-box retailers

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looking to offer solar to their existing consumers. Partnerships help Palmetto take advantage of the growth opportunities in the solar industry. By working with partners to achieve broad customer reach, Palmetto has handled around \$1 billion in clean energy transactions, making hundreds of millions of IRA tax credits available to qualifying homeowners. In March 2023, Palmetto secured \$150 million in equity financing from TPG's Rise Climate fund to expand beyond residential solar into other forms of home electrification.

Frost & Sullivan believes Palmetto is uniquely positioned to meet today's demands and tomorrow's needs in terms of solar energy. The company's clear and strategic vision and successful execution underpin its status as a preferred partner that can ensure sustainable growth for years to come.

Developing Robust Collaborations

Since its inception, Palmetto has gained a sterling reputation by putting customers at the center of its business strategy, thereby becoming the preferred partner for businesses seeking to offer solar to their consumers, including real estate development and mortgage companies, consumer lenders, homeowners insurance companies, and electric utility companies. Palmetto provides personalized support to installers and sales teams by equipping them with technology that ensures efficient timelines, optimized capacity, and an exceptional customer experience. Over the years, Palmetto has added a range of new partners to its established base. As one example, in 2020, the company formed a partnership with Shell Energy in Texas, which allowed Palmetto to offer competitive supply rates and a solar buyback option to its residential customers. As a result of this collaboration, consumers can understand the benefits of solar power by visiting the co-branded link on the Shell Energy website, where they can also access Palmetto's support for all the processes involved in switching to solar power.

Palmetto helps its partners and clients achieve net-zero decarbonization targets, increase customer lifetime value, and enter the clean energy market. The company does this without burdening its partners and clients with the task of understanding local market requirements, integrating with utility interconnection processes, or building a national fulfillment network. The company's Clean Energy Operating Platform is a data intelligence-driven SaaS product that helps enterprise businesses assess the solar potential of markets, segment local communities by solar potential, and reach target customers. It even models energy usage and solar potential at the building level using proprietary, high-resolution, geospatial 3D LiDAR technology. Palmetto has earned a reputation for providing excellent support to small businesses by always going the extra mile.

Frost & Sullivan believes that Palmetto is well-positioned to drive the solar industry into its next growth phase, capturing market share and sustaining its leadership in the coming years.

Assisting Homeowners Throughout the Project Lifecycle

Palmetto is committed to facilitating a seamless and stress-free transition to clean energy like solar power. With over 14 years of experience in managing residential solar projects, the company is well-equipped to handle every aspect of the transition from conventional sources of power to solar power, from canvassing to financing to fulfillment, which improves clean energy adoption for both homeowners and businesses selling it.

In January 2022, Palmetto's Consumer Energy Intelligence division announced a solar mapping project that uses proprietary technology to analyze the solar potential and energy load profiles of approximately 85% of all US building rooftops. The technology helps consumers identify the best options for their solar power investment by enabling a quick assessment of the solar energy production and storage potential of their home, and powers Palmetto's "Instant Design," an energy AI model that generates an exact rendering of what solar would look like on their rooftops and how panels could be customized for them. Homeowners can receive a cost-benefit analysis within minutes to decide whether installing solar panels is a worthwhile investment. The analysis also includes the number of years it will take to recover the investment and the amount of carbon offset by their system. Palmetto also provides this information through application programming interfaces (APIs) to leading utility companies, such as ComEd, Pepco, and BGE, consistently securing new avenues for partnerships. Palmetto's Instant Design tool generates nearly 15,000 rooftop designs every month, and independent auditors attest to the 96.5% accuracy of Palmetto's solar production modeling.

In response to higher interest rates that made the upfront cost of solar more expensive for homeowners, Palmetto is now offering Lightreach energy plans, modernized power purchase agreements (PPAs) that offer \$0 upfront investment, free lifetime maintenance, and a subscription energy rate at a lower per kWh cost than their local utility. Depending on their preferences, customers can choose between various models and plans. For instance, a subscription energy plan that can be transferred might be ideal for a younger individual, while an established homeowner may prefer a longer agreement (up to 20 years). Previously, the market was 80% financed and 20% leased. However, with higher interest rates, this has shifted to 43% leased. Palmetto has contributed to this shift with its subscription energy plans and PPAs.

Palmetto also empowers homeowners to take additional ownership of their home energy consumption by making custom recommendations for how to integrate heat pumps and HVAC, smart thermostats and devices, insulation, and battery storage. This option is good for consumers that might be ready to go solar but want to better understand whole home electrification.

Frost & Sullivan recognizes that Palmetto meets customers' needs and exceeds their expectations. Multiple clients and partners value the top performance and business impact of its technology and platforms, ensuring higher customer satisfaction and acquisition rates.

Conclusion

Palmetto is the market leader in the residential solar market, having outpaced competitors with its Clean Energy Operating Platform that delivers end-to-end clean energy solutions for homeowners, utility companies and businesses selling clean energy. The company not only provides robust customer support to clients across the United States but also follows a sustainable strategy developed and implemented with its clients in mind, making it a trusted partner for a range of clients. With its strong overall performance, Palmetto earns Frost & Sullivan's 2024 Competitive Strategy Leadership Award in the North American residential solar industry.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Award recognizes the company with a stand-out approach to achieving top-line growth and a superior customer experience.

Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes Best Practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

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The Growth Pipeline Engine™

Frost & Sullivan’s proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

