

Sustainable Energy

live it today | live it tomorrow



Sustainable Energy Fund
2009/2010 Annual Report



"I wanted to share some good news - I just landed a new job at Lutron! My role is Commercial Projects Manager within the construction department. I think the SEF Conference must have been my good luck charm, because Lutron wanted me to come in for interviews during the week of the conference. Once I explained that I was attending the conference and would prefer not to miss any of it if possible, and they were very quick to agree -- so we scheduled my interviews right after the conference ended. And voila - a week later I had an offer!"

Thank you,
Joss

Letter to Stakeholders

Our dream is a Pennsylvania in which energy is harvested, converted, distributed and utilized in a manner that allows all to meet their energy needs without compromising the ability of their children and grandchildren to meet their needs. This is a dream we have pursued with purpose and vigor for the last decade. Through the commitment and hard work of the staff and board, present and former, the past ten years have been a success.



Creating an organization from a settlement agreement is no small task. We were formed pursuant to Pennsylvania's electric deregulation proceeding and provided with a total of \$25 million in funding over the first 7 years. We have used our resources in a sustainable manner while participating in funding of more than \$75 million in projects; working with Pennsylvania's colleges and universities to integrate sustainable energy into their curriculum; providing education for students, professors and dislocated workers; and establishing a best in class sustainable energy conference that attracts attendance from across the country.

Last year we continued to pursue our dream even in the face of tough economic conditions committing almost \$7 million to energy efficiency and renewable energy projects, providing 135 scholarships to professional educators and 111 scholarships to dislocated workers to attend the sustainable energy conference, delivering more than 250 hours of educational workshops and seminars and representing ratepayers' interest in sustainable energy in proceedings before the Public Utility Commission.

The last decade's strong vision for a sustainable energy future, sound fiscal management and entrepreneurial spirit provide us with a strong foundation as we begin our second decade of operations. With the dedication, engagement and energy of our board, staff, volunteers, donors and assets of more than \$22 million we are well positioned to take on the challenges that lay ahead. During the next decade we will continue to assist the citizens of the Commonwealth of Pennsylvania to effectively utilize energy that is derived from sustainable sources that is both affordable and available in sufficient quantities.

Jennifer Hopkins
President

Andrew Stein
Chairman of the Board



Education



Financial



Regulatory

About Us

Since our founding in 1999, through a settlement approved by the Pennsylvania Public Utility Commission during the state's electric deregulation proceedings Sustainable Energy Fund has been a leading funder of sustainable energy projects. Over the years, the organization has expanded its services with the goal of seeking a sustainable energy future.

Today, in addition to sustainable energy project funding, we engage in sustainable energy awareness efforts, provide sustainable energy education and intervene in regulatory proceedings that impact energy conservation, energy efficiency or renewable energy.

The Sustainable Energy Fund is an independent, nonprofit 501(C)(3) corporation that assists energy users to strive for a future when energy is harvested, converted, distributed and utilized in a manner that allows all to meet their energy needs without compromising the ability of future generations to meet their needs.

We work with all types of entities including small businesses, municipalities, school districts, non-profits, farmers, manufacturing facilities, warehouses, and transportation companies to reduce the consumption of energy from non sustainable resources. We work with energy users, educators, consumers and regulators to achieve these reductions by reducing or removing the financial, educational and regulatory barriers that prevent these organizations from generating energy from renewable resources and implementing improvements in efficiency of energy utilization as well as reducing energy consumption through behavioral change.

We execute our mission in a vibrant entrepreneurial manner with the aide of volunteers, program sponsors and industry partners. We have seen our reach grow throughout the Commonwealth and beyond with an annual conference that has drawn attendance from as far away as South Korea.



Educational Programs

Our educational programs do not seek to tell energy users how to reduce energy consumption but to equip energy users with the understanding they need to embark on the journey to a sustainable energy future. An understanding that creates sustainable changes in energy consumption and generation behaviors. An understanding that over time will serve to disrupt the existing system for gathering, converting, transporting and distributing energy.

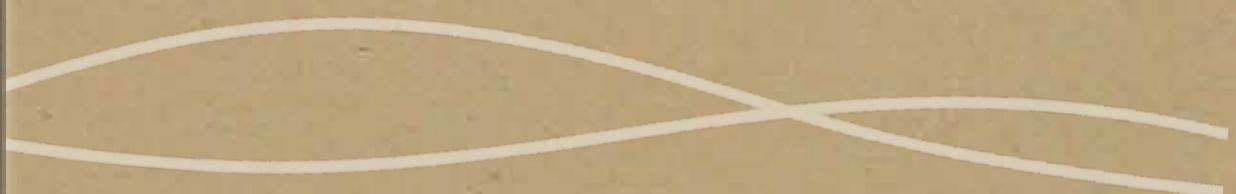


SEF's educational programs are branded as Energypath to denote that although a sustainable energy future may be our destination, true understanding is developed during the journey not by reaching the destination. True understanding will provide energy users with the knowledge they need to overcome the obstacles they will encounter on their path to a sustainable energy future.

It is one of these obstacles that drove our newest program, the Energypath Resource Catalog. While this past year has seen an explosion of energy related programs the fractured delivery of those programs has created confusion for the energy user. To aide energy users in the location of resources from a variety of sources we created a comprehensive catalog of energy resources akin to a library card catalog. The catalog is now available at energypath.org with a paperback release scheduled for this fall for those without internet access.

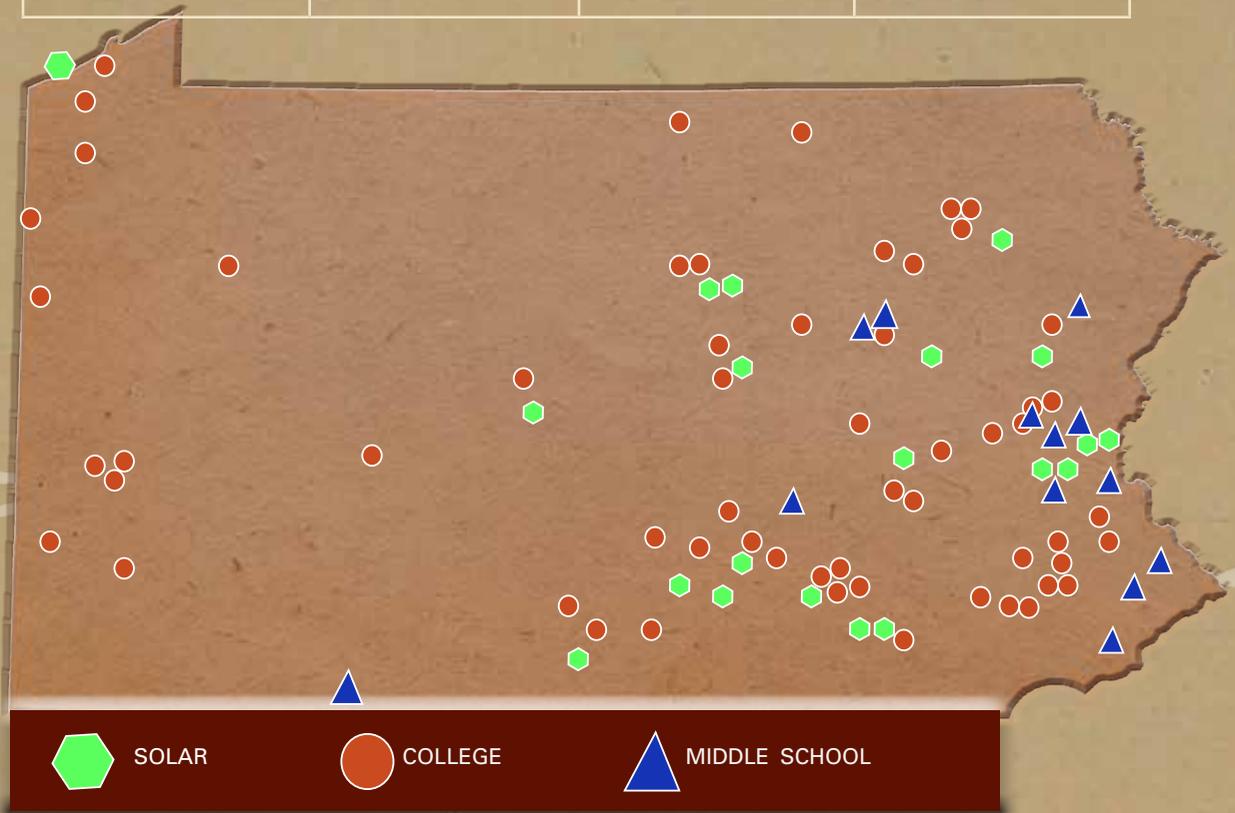
During the last year we saw continued growth of our educational programs including the Sustainable Energy Conference, educational series and speakers bureau. In addition the PA Department of Education approved SEF as an Act 48 continuing education provider.

www.energypath.org

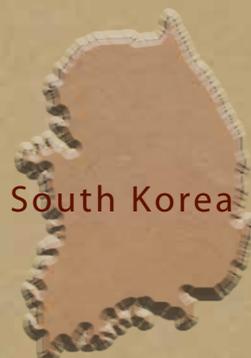


Sustainable Scholars Programs

20 Solar Installation Grants totalling \$300,000.



Participants traveled as far away as...



Sustainable Energy Conference

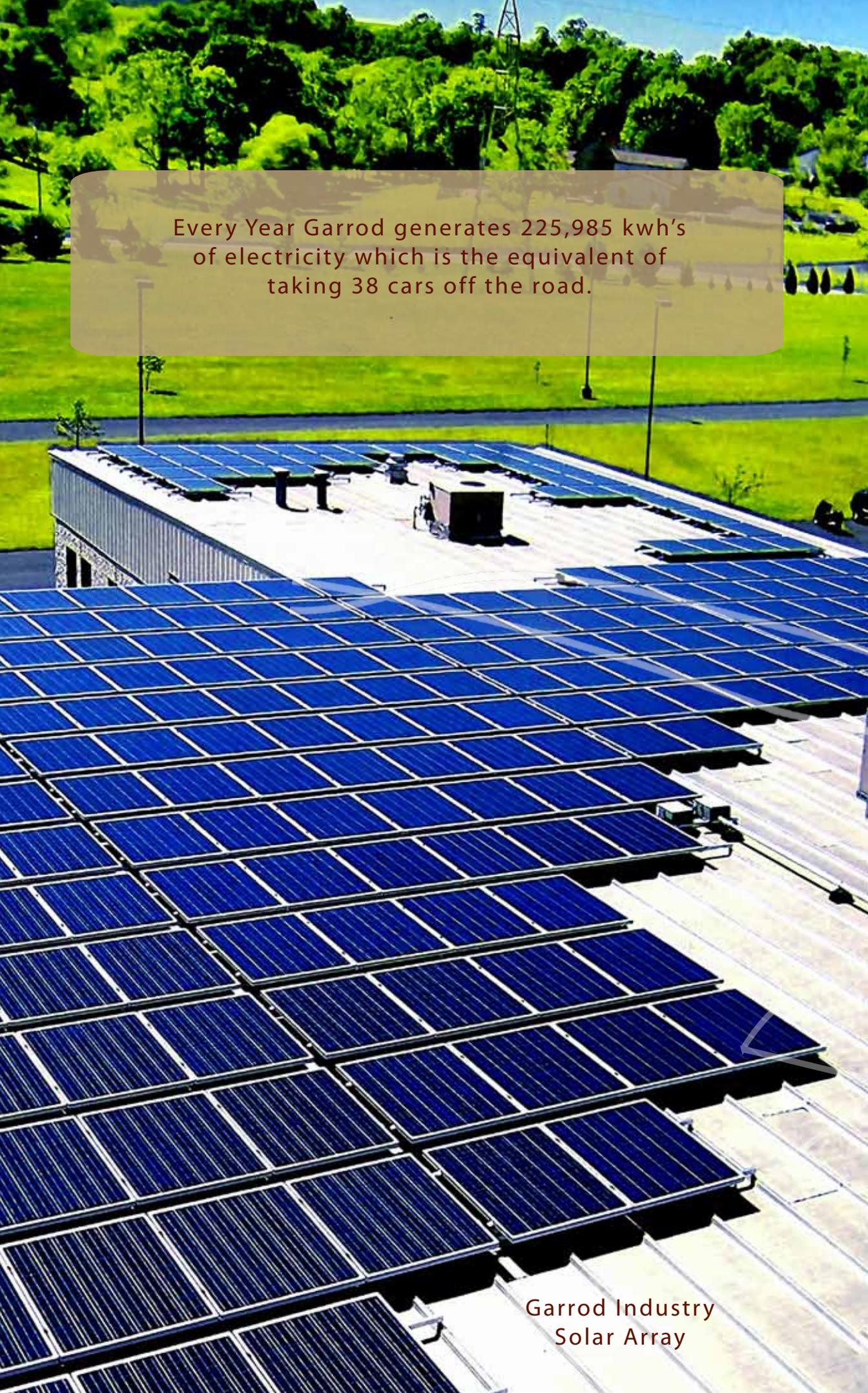
In 2005 we launched our award winning Solar Scholars™ program, a first in the nations solar education initiative promoting the adoption and integration of renewable energy concepts and technologies into the curriculum of colleges and universities. Over the past several years, the conference has grown and evolved from one participant in 2005 to over 400 participants in 2009.



Since the inception of the conference, SEF has provided more than 250 scholarships to professional educators to attend the sustainable energy conference and pre-conference boot camp. These educators represent almost 70 different educational institutions. Through this program SEF has provided \$300,000 in grants to colleges and universities for the installation of educational solar arrays. In exchange for attendance scholarships and equipment grants these institution have integrated sustainable energy into their curriculum. Some of the institutions such as Northampton Community College created credit courses for the installation of the array.

112 scholarships were provided to dislocated workers.

Last year, the Sustainable Energy Conference was expanded to include a limited number of middle and high school teachers as well as dislocated workers. Partnering with Lehigh Valley Career Link and the Workforce Investment Board we created a green careers seminar specifically designed for dislocated workers looking to transition existing skills to a green career. Through this program we provided 100 conference scholarships and 12 boot camp scholarships to dislocated workers from the Lehigh Valley. The 2009 pre-conference boot camps included solar and wind technologies as well as one of the nations first USGBC LEED v.3 technical reviews. The conference hosted more than 40 sessions led by industry, policy and educational experts that spoke on a variety of energy topics including carbon sequestration, energy and economic development, carbon accounting, fuel cells, state and Federal energy policy and more.



Every Year Garrod generates 225,985 kwh's of electricity which is the equivalent of taking 38 cars off the road.

Garrod Industry
Solar Array

Financial Programs Program Related Investments

Even though last year was economically challenging for many commercial and non profit enterprises SEF saw an increase in demand for financing of energy efficiency and renewable energy projects. As institutional lenders tighten their lending criteria and avoided risk developers of economically viable projects found it harder to obtain financing while at the same time seeing an increase in government driven financial incentives. SEF stepped into the market and provided short term financing to cover government grants and rebates in addition to the longer-term financing we have always provided. These projects ranged from LED lighting to micro-hydro.

In addition SEF continued to administer the Small Business Lighting Retrofit Rebate program, created an energy service provider network and received a grant from Pennsylvania DEP for construction of a biodigester.

This past year SEF committed almost \$7 Million Dollars towards energy efficiency and renewable projects.

Some of our projects over 10 years...

Bear Creek
Wind Farms



Villanova



Wanner
Farms



Shazaam
Realty



Kountry Kraft



LED Lighting
Pottsville



Mains Farm



Hershey Park



Investments & Grants



Lacey Electric Solar Array



Companion Animal Hospital	\$85,000	Solar Thermal
Louis Tannen Fine Carpentry	\$55,174	Photo voltaic
Community Energy Inc	\$750,000	Project Development
Kautz Construction	\$414,000	Photo voltaic
EMARR Inc	\$125,000	Micro-hydro
Spiral Path Farms	\$972,000	Photo voltaic
All American Recycling	\$44,064	Energy Efficiency
Callen-Kinback	\$179,900	Photo voltaic
Reading Electric	\$14,110	Energy Efficiency
Brewworks	\$40,000	Energy Efficiency
Lacey Electric	\$242,000	Photo voltaic
Garrod Hydraulics	\$1,110,400	Photo voltaic
217 Realty	\$204,477	Photo voltaic
Swim-in-Zone	\$7,500	Energy Efficiency
Maude Alley	\$15,000	Photo voltaic
Phoenix Forging	\$3,050	Energy Efficiency
Donegal Square	\$15,450	Energy Efficiency
AFC First Financial	\$7,500	Energy Efficiency
Sir D's Catering	\$15,000	Solar Thermal

Small Business Lighting

LED LIGHTING RETROFIT AT BREWWORKS



The LED Lighting Retrofit Program helped The Brew Works
save more than 85% of our lighting costs.

Thank you,
Jeff Fegley



Retrofit Rebate and Grant

The Small Business Lighting Retrofit Rebate Program provided an opportunity for small businesses to receive up to a \$2,000 rebate for the replacement of inefficient lighting fixtures with more efficient Energystar fixtures. The program ran from July 2008 through August 2009. Through that program Sustainable Energy Fund paid 76 rebates totaling \$124,340. Through these rebates energy users reduced consumption by 2,146,113 kWh, saving more than \$220,000 annually.

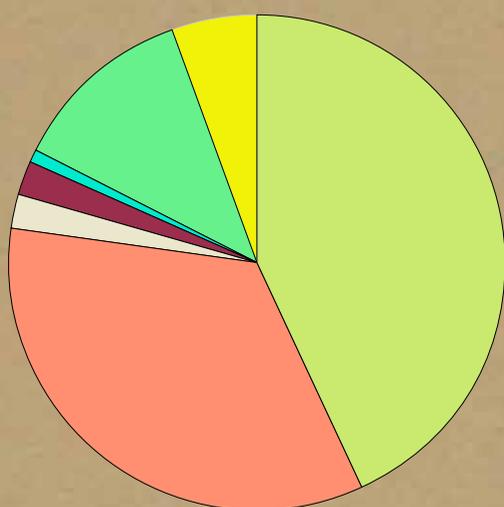
2,146,113 Kilowatt Hours Saved

The Small Business Energy Efficiency Grant program was a competitive grant for up to 75% of the project cost up to \$20,000. Seven small businesses received grants totaling \$130,000. The projects included solar thermal installation, photo voltaic installation and LED lighting projects.

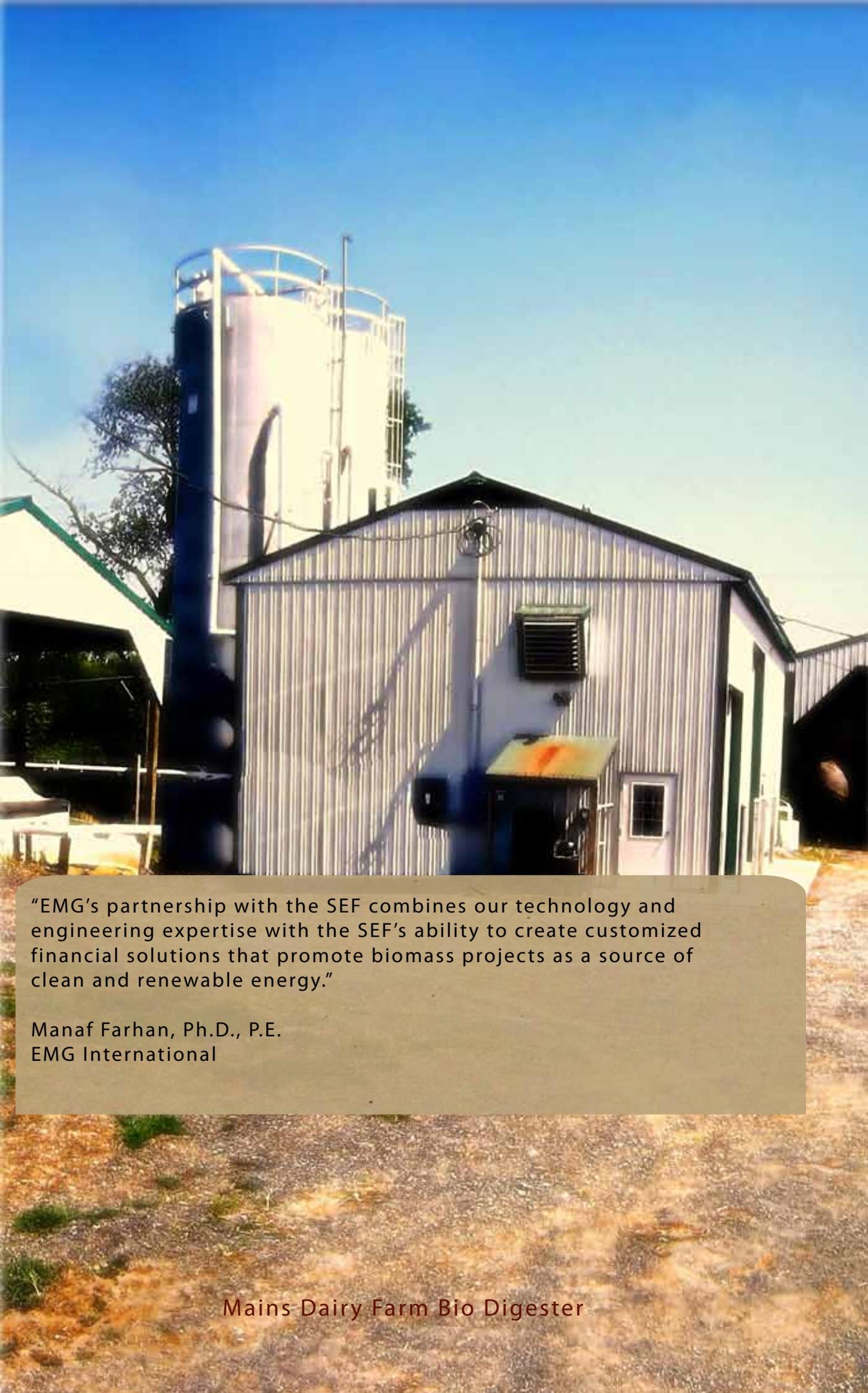
A portion of the funding for the Small Business Lighting Retrofit Rebate and Small Business Energy Efficiency Grant programs was the result of a settlement reached between SEF and PPL Electric during its 2007 request for a rate increase.

INVESTMENTS PROFILE SINCE INCEPTION

In Number of Projects



- 7 Green Buildings
- 16 Traffic Lighting
- 1 Hydro
- 3 Biomass
- 3 Wind
- 45 Solar
- 57 Energy Efficiency



“EMG’s partnership with the SEF combines our technology and engineering expertise with the SEF’s ability to create customized financial solutions that promote biomass projects as a source of clean and renewable energy.”

Manaf Farhan, Ph.D., P.E.
EMG International

Mains Dairy Farm Bio Digester

Energy Harvest Grant

In August of 2009, we were awarded a PA Energy Harvest Grant to provide a compact manure digester for electricity generation and odor control at a dairy farm. The technology selected by SEF for this project is based on EMG's Anaerobic Fluidized Bed Digester process, and offers significant advantages over conventional digester systems such as significantly smaller tankage requirements, lower system capital costs, lower system Operations and Maintenance costs, tolerance to shock loading, smaller foot print requirements, modular ability to expand, and the ability to quickly recover from adverse operating conditions.

The digester is being installed at the Mains Dairy Farm in Newville, PA, a 910 cow dairy farm, and will treat over 91,300 lbs of manure per day. As a result, the expected electric generation is between 100,000 to 140,000 kWh per year. The grant of \$220,964 provides partial funding for the projected which is estimated to cost \$566,175. The project will be completed in August of 2011.



Energy Service Provider Network

We developed the concept of creating a network of highly trained energy professionals to aid ratepayers in their efforts to conserve energy in early 2009. During much of the last year SEF's financial team worked with energy service professionals to develop this network. Through this network SEF has provided customized sales and finance training to energy services companies. This training has helped to improve the non-technical competencies of their personnel as well as aided SEF in customizing financial products like the short-term loans for government grants. This network of professionals has also improved our ability to quickly distribute new information and launch programs of interest to energy service professionals.

Board of Directors



New Directors (Color)

Andy Stein
Chairman

Scott Paterno
Director

Pam Polacek
Vice Chairman

Alan Roman
Director

FR. Jack Ryan
Secretary/Treasurer

Kenneth Mickens
Director

Eric Epstein
Director

Financial Highlights

Assets	\$22 Million
Funding Committed	\$6.8 Million
Grants Awarded	\$164,346
Net Assets Increased	1 Million

June 20, 2010 Audit of Financial Statements.
Available Upon Request.

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Key Staff Members



New Staff (Color)

Jennifer Hopkins
President

John Costlow
Director of
Technical Services

Lynne Puzio
Accountant

Chris Flynn
Business Development Specialist

Brian Becker
Marketing and Program Funding Manager

Jessica Mauro
Program Leader



SUSTAINABLE ENERGY FUND

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