Live it TODAY for TOMORROW.
OUR MISSION

is to promote, research and invest in clean and renewable energy technologies, energy conservation, energy efficiency and sustainable energy enterprises that provide opportunities and benefits for PPL Electric ratepayers.

OUR VISION

is to lead Pennsylvania in a direction so that today’s needs for environmentally sound, safe, affordable, abundant and reliable energy do not affect the ability of future generations to meet their needs.

OUR VALUES

- We recognize that we have a responsibility to invest in and finance businesses and projects that others would not, all while being cognizant of and balancing the project’s or business’ mission fit and financial risk to the organization.

- We value courtesy, honesty, integrity, fairness, respect and trust and strive individually and as a team to “Do The Right Thing” at all times.

- We are committed to personal and professional growth through continuous learning and development of the organization’s staff.

- We strive to achieve the mission and goals of the organization in a financially sustainable manner.

- We recognize a responsibility to provide community access to sustainable energy education and to educate the leaders of today and tomorrow in sustainable energy.
Dear STAKEHOLDERS,

Real change is what needs to happen to move society towards a sustainable energy future. This is a cultural change; it cannot be mandated by government but must stem from each individual and community for the benefit of future generations and the ecosystem at large. Moving society towards a sustainable energy future is an audacious promise beyond ableness, but that is exactly what SEF is in the process of doing. This promise requires the development of the capacity and capability of SEF’s Staff and stakeholders. In a nutshell, Sustainable Energy Fund’s mission is to move society towards this sustainable energy reality.

“We can change the culture and send ripples through society”

In 2018, Sustainable Energy Fund made significant strides in moving the needle on sustainable energy. SEF committed more than $11 million to energy efficiency and renewable energy. The Fund also sought to leverage its efforts by taking an equity stake in a new energy efficiency lending company and working to turn enabling legislation into C-PACE programs. To further push sustainable energy in buildings, SEF and its Board of Directors decided to ‘walk the talk’ by approving construction of a 15,000 square foot net-zero office building.

At this time, a sustainable energy future is beyond SEF’s reach, but through the ability to increase the capacity and capability of each individual and community SEF interacts with we can change the culture and send ripples throughout society.

John Costlow,

PRESIDENT/CEO
At SEF, we have consistently asked questions such as 'How do we save people money and lower their utility bills?'. While those things are important, we realize the importance of asking how the work we do can impact people, businesses, communities and the world in a more meaningful way.
“Energypath helped me get into solar and now I'm the director of residential engineering for a solar EPC in the DC area”

Humza Arshad
IPSUM POWER, INC.

C-PACE
Sustainable Energy Fund staff hosted three stakeholder meetings for Commercial Property Assessed Clean Energy (C-PACE), a national program currently being adopted in Pennsylvania. SEF invited over 130 stakeholders to these meetings. Additionally, staff presented C-PACE to a group of counties, Pennsylvania Municipal League, KEEA, and PA Solar Futures conferences among others.
Education REPORT

SOLARIZE LEHIGH VALLEY

To promote Solarize Lehigh Valley, SEF attended and exhibited at over 50 community and professional events. Staff also hosted events promoting the Solarize program. Staff generated over 120 leads for Solarize at these events, which added to the more than 170 leads generated from other marketing initiatives.

ENERGYPATH 2018

Energypath 2018 was attended by more than 300 industry professionals, academics, policy makers, and students. The conference was well received by our attendees, who learned about Grid Integration. Conference attendees had the opportunity to participate in 19 break-out sessions and 3 plenary presentations. Each of the attendees participated in an average of 9 hours of education programming, which accounted for approximately 2,826 educational hours.
# Energypath 2018 RESULTS

<table>
<thead>
<tr>
<th>Attendees at the conference</th>
<th>314</th>
</tr>
</thead>
<tbody>
<tr>
<td>The conference featured speakers, exhibitors, a keynote dinner and a middle and high school science fair.</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Science fair participants</th>
<th>42</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Speakers</th>
<th>Exhibitors &amp; Sponsors</th>
<th>Sessions</th>
<th>Energypath camper participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>34</td>
<td>25</td>
<td>These participants took part in hands-on pre-conference energy camps such as Solar PV, Introduction to Sustainable Energy, and Wind Power, which allowed participants to engage in activities and gain experience in sustainable energy technologies.</td>
</tr>
</tbody>
</table>
“As a first-time attendee, I was truly impressed with Energypath 2018. The panels featured a wide range of speakers, all whose substantive expertise resulted in informative, engaging presentations. Notably, the conference managed to provide information accessible to a clean energy novices and experts alike.”

Jennifer Bernstein
UNIVERSITY OF SOUTHERN CALIFORNIA
In addition to our traditional education initiatives, Sustainable Energy Fund ran several special programs in 2018. These programs were implemented to bring additional awareness to the impact of sustainable energy and to directly help businesses, nonprofits, and residents save money and energy. The Nonprofit Energy Makeover contest, which began in 2017, concluded in 2018 with the Lehigh County Humane Society makeover in January. Additionally, Solarize Lehigh Valley, was launched to make solar more affordable for commercial and residential customers in the Lehigh Valley. This project began in May 2018 and concluded in October 2018.

“These programs were implemented to bring awareness to the impact of sustainable energy.”

To further promote financing clean energy projects, Sustainable Energy Fund worked with the Keystone Energy Efficiency Alliance, Philadelphia Energy Authority, and the City of Pittsburgh Sustainability and Resilience Division to make Commercial Property Assessed Clean Energy, or C-PACE, possible in Pennsylvania. Sustainable Energy Fund has offered to act as the C-PACE program administrator for 66 of the 67 counties in PA. The C-PACE program will continue to develop as we move into 2019.

Holly Edinger
DIRECTOR, SPECIAL PROJECTS
LEHIGH COUNTY HUMANE SOCIETY MAKEOVER

On Saturday, January 20, 2018, SEF held a Nonprofit Energy Makeover Event at the Lehigh County Humane Society (LCHS) in Allentown, PA as part of the Nonprofit Energy Makeover Contest. LCHS was chosen for inefficiencies identified in their building as well as their mission.

The goal of this program was to upgrade nonprofit buildings to be more energy efficient at no cost to the organization. These upgrades will lower LCHS’s utility bills and allow them to reallocate funds towards their mission.

Upgrades included installation of a 10kW solar array, an LED lighting retrofit, replacement of two inefficient water heaters, removal of a high temperature, high pressure washer, and implementation of several weatherization measures.
Solarize Lehigh Valley was a regional program to assist local residents and small businesses go solar. The aim of the program was to remove obstacles associated with buying and installing solar. By working with one contractor for installations, SEF was able to negotiate a bulk rate. We also offered educational workshops to explain the process and the benefits of going solar. The goal of Solarize Lehigh Valley was to educate the community, reduce the cost of installations, raise awareness and increase adoption of solar energy in the Lehigh Valley.

Solarize Lehigh Valley was launched in May 2018. The program was promoted at various community and professional events as well as through multiple marketing initiatives. Evoke Solar, the installer associated with the program, assisted SEF in promoting the program by attending events.

Through the October 1st deadline, the Solarize program generated 293 leads for solar installations across the Lehigh Valley. Evoke Solar conducted 70 free solar site assessments from these leads, most of which were for residential projects. The cost for residential systems was $2.55 per watt.
C-PACE PROGRAM

In June 2018, Governor Tom Wolf signed SB 234 granting authority to local governments to establish a Commercial Property Assessed Clean Energy (C-PACE) Program. To facilitate the adoption of C-PACE in Pennsylvania, Program Guidelines were developed by Sustainable Energy Fund and the Keystone Energy Efficiency Alliance with the assistance of the City of Pittsburgh Sustainability and Resilience Division and Philadelphia Energy Authority. Additionally, the group convened a statewide group of stakeholders and national consultants at the end of 2018. There were more than 130 stakeholders represented during the guideline development process. SEF’s goal is to achieve consistent guidelines statewide and maximize the C-PACE investment in the commonwealth.

Sustainable Energy Fund has openly offered to act as the Program Administrator for any local unit of government in the Commonwealth of Pennsylvania. In 2019, we aim to have C-PACE implemented in several counties.
Sustainable Energy Fund provides financing designed to advance energy efficiency and renewable energy projects throughout Pennsylvania. SEF has been a leading funder of sustainable energy projects and has been involved with the financing of projects worth over $100 million combined. Sustainable Energy Fund provides financing to commercial and nonprofit entities for energy-related projects that either:

- Reduce energy consumption,
- Generate energy from a renewable resource, or
- Replace a "dirty" fossil fuel with a clean energy source

**OUR FINANCING**

In 2018, commitments exceeded $11 million. SEF will provide financing for 100% of an energy project ranging in size from $5,000 to $1 million. Unlike a traditional commercial lender, SEF will consider the energy savings of a project and strive to structure our loans to be cash flow positive. We’ll provide a few loan options to customers to help them make an informed decision based on the energy savings and financial goals. Another feature that sets us apart from a traditional lender is the fact we do not penalize our customers for paying a loan off early. Our Energy Savings Agreements capture the future energy savings of a project to help fund that project, allowing organizations to focus on their mission, what they do best.
Studies have shown that benefits associated with a high-performing building extends well beyond energy savings. Increased employee comfort, health, and productivity have all been associated with energy conservation and green building measures.

Additionally, financing energy projects enables our organization to continue educating future leaders in sustainability through our education programs.

Shannon Crooker
DIRECTOR, PROGRAM RELATED INVESTMENTS
COMMITTED PROJECTS

RADIO ROAD ASSOCIATES $84,126
SUNVESTMENT ENERGY GROUP $2,545,100
RER ALBRIGHT PPA $364,320
RER SMA PPA $127,619
ST. TITUS ROMAN CATHOLIC CHURCH $30,000
CAN DO, INC. $150,000
GARDNER’S MATTRESS $9,710
NATIONAL ENERGY IMPROVEMENT FUND $500,000
MUTZABAUGH’S MARKET $44,755
PIKE COUNTY LIBRARY $27,660
COMMUNITY ENERGY SOLAR $4,586,400
KRAYBILL MENNONITE SCHOOL $36,650
CIMA NETWORK $35,875
BEDFORD 58 SOLAR, LLC $2,000,000
BEDFORD 57 SOLAR, LLC $1,345,481
HOLY GUARDIAN ANGELS $1,635
### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
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</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$168,242</td>
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<tr>
<td>Accounts Receivable</td>
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<tr>
<td>Inventory</td>
<td>$3,390</td>
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<tr>
<td>Investments</td>
<td>$8,633,097</td>
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<tr>
<td>Program Related Investments</td>
<td>$8,955,114</td>
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<tr>
<td>Investment in National Energy Improvement Fund, LLC</td>
<td>$414,327</td>
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<tr>
<td>Equipment, Net</td>
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<tr>
<td>Prepaid Expenses and Deposits</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$20,444,540</strong></td>
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### LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Accounts Payable</td>
<td>$71,607</td>
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<tr>
<td>Accrued Expense/Deferred Revenue</td>
<td>$97,565</td>
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<tr>
<td>Accrued Salary/Benefits</td>
<td>$63,214</td>
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<tr>
<td>Deferred ESA Income</td>
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<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>$556,136</strong></td>
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### NET ASSETS

<table>
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<tr>
<th>Description</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Net Assets</td>
<td>$19,888,404</td>
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<tr>
<td><strong>TOTAL LIABILITIES &amp; NET ASSETS</strong></td>
<td><strong>$20,444,540</strong></td>
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</table>
SEF’s primary goal is to move society towards a more sustainable energy future. Over time, the impacts of the energy projects we financed and the education we provided have created a large impact on the people and organizations we work with, our community, and the world at large.

These numbers showcase how we are living our mission and meeting our goals through our financing initiatives.
Amount of projects financed in 2019. Sustainable Energy Fund dispersed over $6 million in sustainable energy financing, including over $4.5 million for renewable energy projects. With the renewable energy industry quickly growing, more projects means more jobs.

ENERGY FINANCED

$6 MILLION

ENERGY GENERATED

168 MILLION

Since inception, SEF financing has helped generate over 168 million kilowatt-hours of renewable electricity.

ENERGY SAVED

46 MILLION

Since inception, SEF energy efficiency projects have allowed customers to reduce their energy consumption by almost 46 million kW hours.

125,830

Since inception, projects funded by SEF have prevented 125,830 tons of CO2 from entering the atmosphere.
OUR BOARD OF DIRECTORS

Robert S. Thomson
CHAIR

Linda R. Evers
VICE CHAIR

William DeFalco
SECRETARY/TREASURER

Jocelyn Cramer
DIRECTOR

Larry Eighmy
DIRECTOR

Brandi Snyder
DIRECTOR
OUR STAFF

John Costlow
PRESIDENT/CEO

Shannon Crooker
DIRECTOR, PROGRAM RELATED INVESTMENTS

Scott DeStefon
PRI ANALYST

Holly Edinger
DIRECTOR, SPECIAL PROJECTS

Brian Hillard
TECHNICAL SPECIALIST

Sally Kratz
ACCOUNTANT

Morgan Remaly
ADMINISTRATIVE ASSISTANT

Kristen Sehn
MARKETING COORDINATOR
Thank you!
“Through the ability to increase the capacity and capability of each individual and community Sustainable Energy Fund interacts with, we can change the culture and send ripples throughout society.”

John Costlow, SUSTAINABLE ENERGY FUND
Sustainable Energy Fund
Live it today for tomorrow.