ANNUAL REPORT 2019

Seeking a REGENERATIVE ENERGY Future
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ESSENCE

CORE VALUE

REVITALIZE LIVING SYSTEMS

CORE PURPOSE

REALIZE A REGENERATIVE ENERGY FUTURE

CORE PROCESS

ENABLE ACTION

VOCATION

ENABLING INFLUENCERS TO EFFECT A RESPONSE BY AN ENERGY USER TO TAKE ACTION TO MOVE TOWARDS A REGENERATIVE ENERGY FUTURE
DEAR STAKEHOLDERS,

2019 was a transformative year for Sustainable Energy Fund. The Fund engaged in three projects that defined its organizational transformation: construction of its net-zero building, development and adoption of the C-PACE program, and beginning the transition to a regenerative energy future and regenerative business culture.

In 2019, SEF saw its net-zero building move from the drawing board to reality. SEF broke ground on this project in April 2019. By the time this report is published, SEF will officially occupy the new space. The building is extremely energy efficient and airtight with a forecast EUI of 22. As a result of a photovoltaic solar array and solar thermal system on the building’s roof, the facility will be net energy positive, producing between 130-200% of its annual energy needs.

The Pennsylvania C-PACE program saw significant growth throughout the year. Early in 2019, SEF worked with a core group of stakeholders to create model guidelines and legal documents to allow counties to adopt C-PACE in Pennsylvania.

“2019 has truly been a reformative year for Sustainable Energy Fund”

SEF has assisted several counties in adopting C-PACE resolutions and ordinances, and as a result, the C-PACE program is active in select Pennsylvania Counties. We expect to see the first projects funded through the program in 2020.
The Fund also began transitioning its culture to a regenerative business culture and seeking a path towards a regenerative energy future, a future in which methods of energy transformation, distribution, and use result in abundant, affordable, safe energy with a positive impact on energy liberation, or human health and betterment of the ecological system. This is an important organizational shift for SEF which will shape our programs and culture moving forward.

2019 has truly been a reformative year for Sustainable Energy Fund. In future years, we will look back and see this as an inflection point for many great things to come.

John Costlow,
PRESIDENT/CEO
Education is a key component of SEF. In 2019, Staff participated in 45 events ranging from the Pennsylvania Farm Show to the annual Energypath Conference. Over 5,600 hours of education on sustainable energy were presented at conferences, seminars, public meetings and workshops.

The year began with the 2019 Energy Service Provider Experience that had 140 people at the Keynote dinner. A highlight of the weekend was an interactive discussion on Saturday afternoon, where Energy Service Providers shared insights and partnership opportunities.

In April, SEF hosted a groundbreaking for the new headquarters building. In late fall, after most of the construction had been completed, SEF hosted four hard hat tours of the building, which highlighted the various aspects of the building that make it net zero.
ENERGYPATH 2019

Energypath 2019 was held at DeSales University in Center Valley, PA. More than 240 industry and aspiring professionals attended the conference. 2019’s pre-conference energy camps focused on Energy Regulation and Policy, Solar PV, Bioenergy, and Introduction to Sustainable Energy. The students and educators in attendance, some of whom traveled internationally to attend, represented 46 different colleges and universities. In addition to the camps, a variety of workshops and tours were held in the mornings and evenings.

Holly Edinger
DIRECTOR, SPECIAL PROJECTS

ENERGYPATH 2019
RESULTS

251
Conference Attendees

31
Speakers

40
Exhibitors

28
Sessions

15
Science Fair Participants

77
Energypath Campers
In 2019, Sustainable Energy Fund began the construction of a Net Zero Office Building. This 15,000 sq ft building located in Schnecksville, PA, will be the first Net Zero building in the Lehigh Valley. One of the main goals of this building is to show Lehigh Valley developers and business owners that sustainable building is possible at market rate. SEF also sees the construction of this building as an opportunity for us to further live our mission.

SEF will occupy a portion of the space for their headquarters and will lease the remaining office space to other area businesses and nonprofits.
The Net Zero Office Building was designed by Ashley McGraw, an NY-based architecture firm experienced in net zero design. Engineers on the project were AKF-Imposse, who worked with SEF on the previous conceptual design. The building was constructed by TN Ward, a company local to Pennsylvania that embraces sustainable construction practices and projects.

In April 2019, after the design for the building was finalized by Sustainable Energy Fund and Ashley McGraw, SEF broke ground on the project. Since then, the majority of the building has been completed by TN Ward. The team at SEF looks forward to the completion of the building in early 2020. Once completed, the building will be used for educational purposes and as a model to encourage other companies to build Net Zero.
Sustainable Energy Fund provides financing designed to advance energy efficiency and renewable energy projects throughout PA. SEF has been a leading funder of sustainable energy projects for more than 20 years. SEF 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.
In 2019, total commitments exceeded $800,000, while disbursements exceeded $1.2 million. SEF will provide financing for 100% of an energy project ranging in size from $5,000 to $1MM. Unlike a traditional commercial lender, SEF will consider the energy savings or generation of the project and strive to structure loans to be cash flow positive. We provide a few loan options to our customers to help them make an informed decision based on the anticipated energy savings and their 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. We can help your project move forward by providing bridge financing until other funds can be raised or secured.

Sustainable Energy Fund finances projects that promote and further sustainable energy to help make clean energy accessible to all throughout the Commonwealth.

Utilizing Sustainable Energy Fund’s financing is an investment in a clean energy future in Pennsylvania. It creates a pathway in which we can co-create a regenerative energy future with our partners who have their boots on the ground.

Shannon Crooker
DIRECTOR, PROGRAM RELATED INVESTMENTS

“Utilizing Sustainable Energy Fund’s financing is an investment in a clean energy future in Pennsylvania.”
While 2018 saw the development of the C-PACE Program Guidelines and the associated documents, the C-PACE Program was officially launched in 2019. Throughout the year, model Program Guidelines were finalized, the PA C-PACE website was launched, and several counties adopted the C-PACE Program. A total of nine counties adopted C-PACE in 2019:

- Allegheny
- Lawrence
- Lehigh
- Northampton
- Wayne
- Chester
- Lebanon
- Montgomery
- Philadelphia

SEF looks forward to seeing continued growth in the Pennsylvania C-PACE program in 2020.
PROGRAM GUIDELINES

SEF led an effort to develop Program Guidelines that could be utilized state-wide by any jurisdiction. In 2018, SEF hired a national consultant and coordinated three stakeholder meetings across the state. These meetings and the resulting Program Guidelines were released in March 2019 at the Annual Spring Confer-

COUNTY ADOPTION

County adoption began with Northampton County, which passed a resolution in May 2019. Since then, eight other counties have adopted the program. SEF has been named the administrator in Northampton, Wayne, Lawrence, Lebanon, and Lehigh Counties and is prepared to or has responded to RFP’s produced by other counties for the position of Program Administrator.

Philadelphia County established their program with the support of Philadelphia Energy Authority. The Program Guidelines adopted by Philadelphia County are nearly identical to the other counties, which adopted the original model Program Guidelines unmodified.
## COMMITTED PROJECTS

<table>
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<tr>
<th>Project</th>
<th>Amount</th>
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<tbody>
<tr>
<td>PINE FORGE ACADEMY</td>
<td>$18,625</td>
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<tr>
<td>ULTIMATE CAR WASH AND LUBE</td>
<td>$11,360</td>
</tr>
<tr>
<td>FORTRESS POWER, LLC</td>
<td>$103,944</td>
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<tr>
<td>FORTRESS POWER, LLC</td>
<td>$125,770</td>
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<tr>
<td>FORTRESS POWER, LLC</td>
<td>$350,000</td>
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<tr>
<td>REMOLINO, LLC</td>
<td>$95,000</td>
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<tr>
<td>MR. WIZARD CAR WASH</td>
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<tr>
<td>TROPICAL STONE, LLC</td>
<td>$47,160</td>
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<td>CIMA NETWORK</td>
<td>$35,875</td>
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## Financials

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<tr>
<th>Assets</th>
<th>2019</th>
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<tr>
<td>Cash and Cash Equivalents</td>
<td>$383,537</td>
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<tr>
<td>Accounts Receivable</td>
<td>$2,318</td>
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<tr>
<td>Inventory</td>
<td>$2,365</td>
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<tr>
<td>Investments</td>
<td>$8,514,322</td>
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<tr>
<td>Program Related Loans Receivable, Net</td>
<td>$6,861,326</td>
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<tr>
<td>Investment in National Energy Improvement Fund, LLC</td>
<td>$413,827</td>
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<tr>
<td>Equipment, Net</td>
<td>$6,314,738</td>
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<tr>
<td>Prepaid Expenses and Deposits</td>
<td>$30,677</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$22,523,110</strong></td>
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<table>
<thead>
<tr>
<th>Liabilities</th>
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<tbody>
<tr>
<td>Accounts Payable</td>
<td>$56,069</td>
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<td>Accrued Expense/Deferred Revenue</td>
<td>$30,765</td>
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<tr>
<td>Accrued Salary/Benefits</td>
<td>$54,678</td>
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<td>Line of Credit</td>
<td>$1,640,770</td>
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<td>Deferred ESA Income</td>
<td>$297,917</td>
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<td><strong>Total Liabilities</strong></td>
<td><strong>$2,080,199</strong></td>
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<table>
<thead>
<tr>
<th>Net Assets</th>
<th>2019</th>
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<tbody>
<tr>
<td>Unrestricted Net Assets</td>
<td>$20,442,911</td>
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<tr>
<td><strong>Total Liabilities/Net Assets</strong></td>
<td><strong>$22,523,110</strong></td>
</tr>
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BOARD OF DIRECTORS

Robert S. Thomson
CHAIR

Jocelyn Cramer
VICE CHAIR

William DeFalco
SECRETARY/TREASURER

Larry Eighmy
DIRECTOR

Brandi Snyder
DIRECTOR

Evan Pappas
DIRECTOR

Lynn Rothman
DIRECTOR
STAFF

John Costlow
PRESIDENT/CEO

Shannon Crooker
DIRECTOR, PROGRAM
RELATED INVESTMENTS

Scott DeStefon
PRI ANALYST

Holly Edinger
DIRECTOR, SPECIAL
PROJECTS

Brian Hillard
TECHNICAL
SPECIALIST

Nathan Jacoby
PROJECT DEVELOPMENT
SPECIALIST

Sally Kratz
ACCOUNTANT

Morgan Remaly
ADMINISTRATIVE
ASSISTANT

Kristen Sehn
MARKETING
MANAGER
CONFERENCE SPONSORS

Thank you!
“Our financing creates a pathway in which we can co-create a regenerative energy future with our partners”

Shannon Crooker, SUSTAINABLE ENERGY FUND