

# ANNUAL REPORT

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OVERCOMING OBSTACLES  
TO INCREASE IMPACT





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# ESSENCE

**CORE VALUE**

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REVITALIZE LIVING SYSTEMS

**CORE PROCESS**

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REALIZE A REGENERATIVE  
ENERGY FUTURE

**CORE PURPOSE**

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ENABLE ACTION

**VOCATION**

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

# LETTER TO

## STAKEHOLDERS

Dear Stakeholders,

This last year saw both success and challenges. We saw success with the completion of the Net Zero building. The building is Energy STAR rated in the top three percentile of energy-efficient buildings. The facility has received several awards. Due to the pandemic, leasing open office space has been a significant challenge. As a result of some large loans, we saw our loan portfolio swell. One of the loans financed a portion of Pennsylvania's largest solar project. Another challenge arose as small business borrowing for energy efficiency and renewable energy projects declined on the small loan side. SEF added additional counties to administer Commercial Property Assessed Clean Energy financing programs. As a result of a large C-PACE deal in Montgomery county, C-PACE revenue exceeded the goal. SEF intervened

in the PPL Electric's Distributed Energy Resource Management proceeding, providing both expert technical and programmatic testimony. The Fund, along with other parties, achieved a settlement with PPL Electric that will enhance the operation of distributed energy resources while protecting the interests of ratepayers and the distributed energy resource industry in Pennsylvania.

Looking forward to 2021, I see SEF increasing the number of counties where it administers C-PACE programs. The outlook for large energy projects is positive, and as a result, revenue from C-PACE should rise. Through an agreement with the National Energy Improvement Fund, SEF will continue to fund loans to small commercial customers placed by NEIF. SEF is well staffed and prepared for any opportunities that may be made available by the new administration. The regenerative organizational culture change started in 2019 is progressing positively. It has produced culture change among the Staff and produced its first tangible result on the program side with the creation of a nonprofit weatherization fund.

John Costlow,  
**PRESIDENT/CEO**





# SPECIAL PROJECTS

## REPORT

The annual Energy Service Provider Experience was held in January. Energypath was cancelled for 2020 due to COVID restrictions. SEF focused its educational efforts on non-contact methods such as webinars. The result was a year of renewed engagement with our ESP network and continued outreach about C-PACE.

The ESP Experience held at Kalahari Resort in January featured a dinner presentation by John Costlow on Regenerative Energy. One hundred and forty-two people attended the Keynote dinner, which includes ESP's and their guests. Fortress Power presented on energy storage/batteries. The event also included sessions on topics such as How to Simplify the Sales Process, The Case for Sustainable, High-Performance Buildings, How to Coordinate Projects with Multiple Financing Sources, and Battery Storage: The Future of Solar.

In addition, SEF hosted several other events in 2020. These included a tour of our net-zero-energy building, sessions about C-PACE and webinars on various topics presented by ESPs.

While 2020 presented many challenges for businesses, SEF's education program was able to flourish and evolve thanks to online platforms that allowed us to bring education to stakeholders that would not normally be able to attend live sessions. The most significant challenge was the inability to use our new Craig Onori Energy Education Classroom. We look forward to incorporating these platforms in 2021 in combination with live events.

Kelly Sanders

**DIRECTOR, SPECIAL  
PROJECTS**

# 2020 EDUCATION OVERVIEW

EVENT  
ATTENDEES: **750**

EVENTS  
HELD: **20**

# C-PACE REPORT

Despite the pandemic, C-PACE thrived in 2020. Bedford, Centre, Washington, and Berks Counties all passed resolutions for C-PACE. This brought the total to thirteen counties.

At the end of 2020, the first project outside Philadelphia closed. The project, SORA West in Montgomery County, is currently the largest project to be funded through the Pennsylvania C-PACE program at \$9,999,740. Sora West, LLC, is using the funds to build an energy efficient 127-room mixed-use hotel and rehabilitation of a historic fire station. Eligible energy improvements funded through C-PACE for this new construction project include high efficiency lighting, HVAC system, high efficiency

elevators, and wall, roof, and attic insulation.

2020 also included several productive web meetings with elected officials and staff of Erie, Westmoreland, and Delaware. Delaware and Erie County have since passed C-PACE programs in 2021.

We look forward to the continued expansion of the C-PACE program.

Shannon Crooker

**DIRECTOR, PROGRAM  
RELATED INVESTMENTS**





# COUNTIES WITH RESOLUTIONS PASSED

ALLEGHENY COUNTY

\*BEDFORD COUNTY

\*BERKS COUNTY

\*CENTRE COUNTY

CHESTER COUNTY

LAWRENCE COUNTY

LEBANON COUNTY

LEHIGH COUNTY

MONTGOMERY COUNTY

NORTHAMPTON COUNTY

PHILADELPHIA COUNTY

\*WASHINGTON COUNTY

WAYNE COUNTY

**13 COUNTIES PASSED**

**\* RESOLUTION PASSED IN 2020**

# FINANCE

# REPORT

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 \$169 million combined. Sustainable Energy Fund has made more than \$75 million in program related investment, three times our funding. 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

Like many organizations, our resources were limited in 2020 due to the COVID-19 pandemic. We evaluated risks in a way that captured the uncertainty that the year provided and shifted gears, communicating closely with our partners who were experiencing the same uncertainty.

In 2018, Sustainable Energy Fund hosted a Nonprofit Energy Makeover Contest, conducting more than 40 energy audits for Pennsylvania nonprofits. The common thread throughout these energy audits was a need for weatherization services which would increase comfortability and overall building performance. As a way to begin to satisfy this need and prevent nonprofits from paying out of pocket for these services, Sustainable Energy Fund has established a Nonprofit Social Impact Fund using a portion of the interest earned from loans towards nonprofit weatherization.

These upgrades will improve the comfort of the space while lowering the energy spend of nonprofits, allowing them to give more to their community through their services. The

contributions of our social impact fund will enable SEF to make this a reality for more area non-profits and allows our customers direct involvement in creating this positive impact on their community and the environment.

Utilizing Sustainable Energy Fund's financing is an investment in our community and a clean energy future in Pennsylvania. SEF finances projects that promote and further sustainable energy to help make clean energy accessible to all throughout the Commonwealth.

Shannon Crooker

**DIRECTOR, PROGRAM  
RELATED INVESTMENTS**



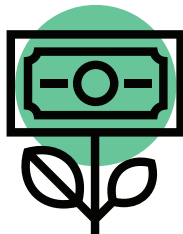
# DISBURSEMENTS AND COMMITMENTS

FINANCIAL COMMITMENTS	\$9,106,772
FINANCIAL DISBURSEMENTS	\$9,878,558
PROJECT PORTFOLIO BALANCE	\$11,694,173

# \$24 MM

Total Liabilities and Net Assets

ASSETS	2020
Investments	\$6,529,693
Program Related Investments	\$11,002,411
Equipment and Building, Net	\$5,808,558
Other Assets	\$745,045
<b>TOTAL ASSETS</b>	<b>\$24,085,707</b>



# FINANCIAL REPORT

LIABILITIES	2020
Mortgage Loan Payable	\$3,925,081
Other Liabilities	\$488,927
<b>TOTAL LIABILITIES</b>	<b>\$4,414,008</b>

NET ASSETS	2020
Unrestricted Net Assets	\$19,671,999
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$24,085,707</b>



# BOARD MEMBERS

Jocelyn Cramer  
**BOARD CHAIR**



Brandi Snyder  
**VICE CHAIR**



Larry Eighmy  
**SECRETARY/TREASURER**



Evan Pappas  
**BOARD MEMBER**



Kurt Zwerko  
**BOARD MEMBER**



Lynn Rothman  
**BOARD MEMBER**



Rudy Shankar  
**BOARD MEMBER**



John Costlow  
**PRESIDENT/CEO**

# STAFF

# MEMBERS



Kelly Sanders  
**DIRECTOR, SPECIAL  
PROJECTS**



Shannon Crooker  
**DIRECTOR, PRI**



Brian Hillard  
**TECHNICAL SPECIALIST**



Kristen Sehn  
**MARKETING MANAGER**



Nathan Jacoby  
**PROGRAM DEVELOPMENT  
SPECIALIST**



Sally Kratz  
**ACCOUNTANT**



Scott DeStefon  
**PRI ANALYST**



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