

2025 ANNUAL REPORT

SUSTAINABLE ENERGY FUND

Transitioning to

REGENERATIVE ENERGY INITIATIVE



Sustainable Energy Fund

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ADVANCING TOWARD A REGENERATIVE ENERGY FUTURE

Revitalize Living Systems

CORE VALUE

Enable Action

CORE PROCESS

Realize a **Regenerative** Energy Future

CORE PURPOSE

Enabling energy users to effect a response by an energy user to take action to move towards a **regenerative** energy future

VOCATION

OUR STAFF



John Costlow
President & CEO



Kelly Sanders
Vice President of Outreach & Education



Scott DeStefon
Vice President of Investments & Development



Haley Adamson
Education & Outreach Coordinator



Brent Beck
Technical Services Manager



Stacy Fox
Office Manager and Bookkeeper



Tracy Gebhard
Administrative Assistant



Katrina Laubach
Marketing Manager



Elaine Evosevic-Lozada
C-PACE Program Leader

OUR BOARD OF DIRECTORS



Lynn Rothman
Chair



Kurt Zwerko
Vice Chair



Evan Pappas
Secretary/Treasurer



Kyle Burak



Sean Ziller



Rudy Shankar



Tara Zrinski



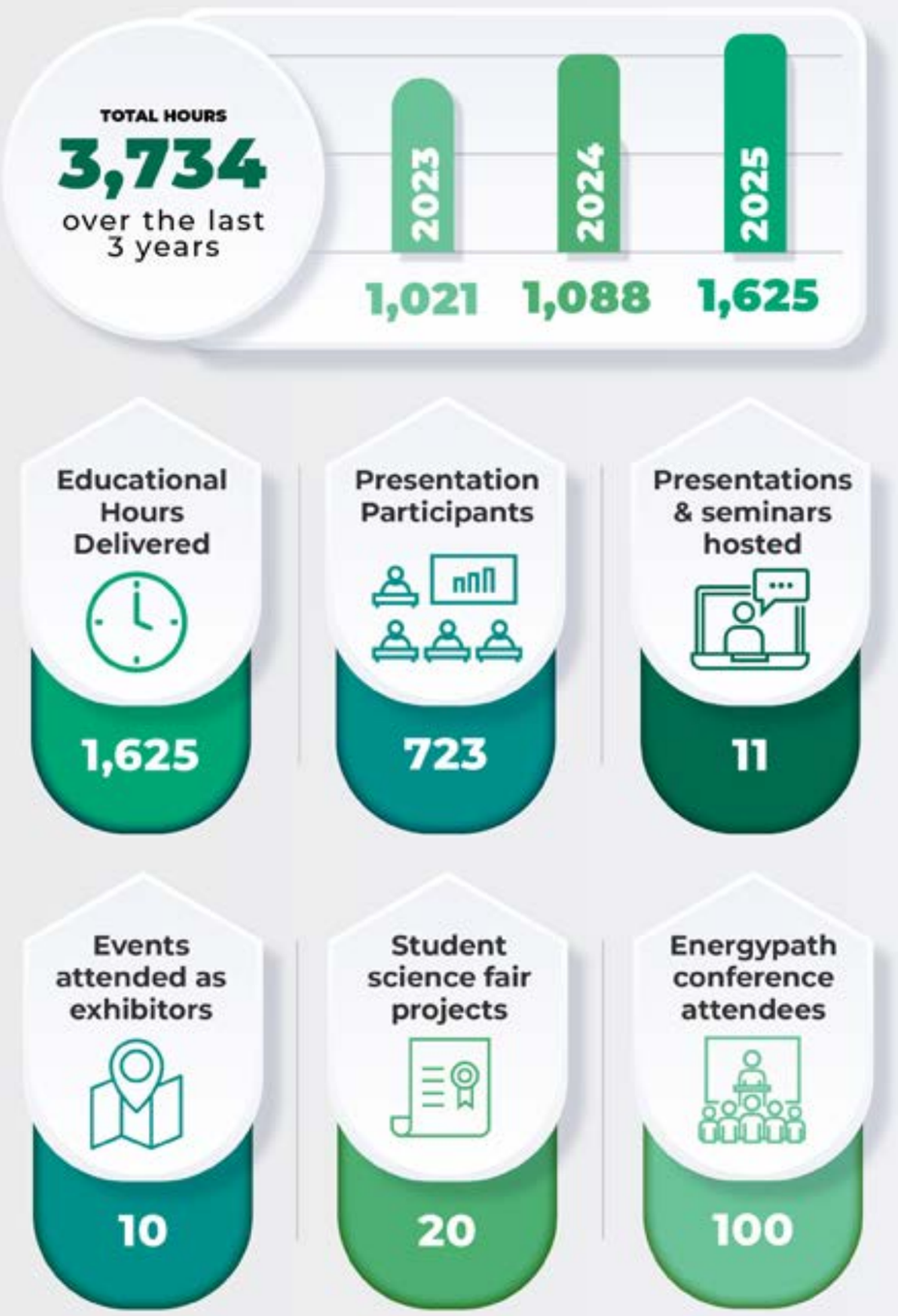
A WORD FROM OUR CEO & PRESIDENT

DEAR STAKEHOLDERS,

Twenty-twenty-five **was a year of transition** from a typical organization to a regenerative organization. A transition that has been underway for several years. One based on the guiding principles of essence, vocation, and global imperative, with a vision of a world where energy production replenishes the planet and empowers communities for generations to come. The essence comprises the organization's core purpose, core values, and core processes. The organization's core purpose is to realize a regenerative energy future, the core process is to enable action, and the core purpose is to revitalize living systems. While our vocation enables influencers to affect an energy user's response to move towards a regenerative energy future. The organization's global imperative is the non-negotiable requirements of the earth and of society, if they could speak for themselves. The transition will be fully realized in 2026 with the announcement of the name change from the PP&L Sustainable Energy Fund to the Regenerative Energy Initiative. The Board is strong, representing a variety of experiences and positions. The staff operates as a cohesive team with a strong culture rooted in the essence, vocation, and global imperative.

The future, although challenging, is bright as the organization focuses on delivering programs with maximum impact while building capacity and financial sustainability. 2026 will see continued focus on improving the economic efficiency of program-related investment placements and on expanding partner-based residential programs. Other notable activities are the return of Energy Camps, youth Zero Hero field trips, a nonprofit makeover, and further expansion of the Commercial Property Assessed Clean Energy Financing Program. These programs use nodal points to maximize leverage to create action to move society towards a regenerative energy future. A future that builds a healthier society through energy generation, use, and storage.

John Costlow
President & CEO



OUTREACH & EDUCATION REPORT

Advancing knowledge, workforce development, and community partnerships across Pennsylvania



"THE GOAL OF ENERGYPATH IS TO IGNITE A PASSION AND KNOWLEDGE FOR SUSTAINABLE ENERGY IN THE LEADERS OF TODAY AND TOMORROW."

Sustainable Energy Fund recognizes the powerful role education plays in advancing our mission

to build a society powered by regenerative energy. We began the year at the 109th Pennsylvania Farm Show, where our staff served as exhibitors and engaged thousands of visitors over eight days. Through conversations, we shared practical insights about renewable energy, energy efficiency, and the opportunities available across Pennsylvania's evolving energy landscape.

Energypath:

Energypath is are largest outreach effort that supports workforce development, education, and partner engagement all at once. 2025 saw the return of our Energypath science fair and conference. The goal of Energypath is to ignite a passion and knowledge for sustainable energy in the leaders of today and tomorrow. Twenty projects were on display at our Net Zero Energy building for the science fair.

The Energypath conference, held July 16th, 2025, explored what regenerative energy is and outlined a path to a regenerative energy future. Public Utility Chairman, Stephen DeFrank, delivered the morning keynote address. A lunch panel discussed lessons from real circular and regenerative energy projects. 100 attendees gathered to network, learn, and collaborate. The science fair winners returned to display their projects and a graphic artist storyteller visually captured the presentations and discussions throughout the day. She enticed attendees to explore "what does regenerative energy mean to you?"



School Age:

This year, SEF staff designed a hands-on field trip program for fourth graders at Seven Generations Charter School, bringing their classroom lessons on net zero energy homes to life. Students explored how buildings can produce as much energy as they use and discovered real-world solutions shaping the future of sustainable living. Later in the year, our VP of Outreach & Education visited a third-grade class at Panther Valley Elementary School in Nesquehoning to introduce the fundamentals of energy efficiency. Inspired by what they learned, each student created a personal energy savings pledge—turning knowledge into action and becoming ambassadors for smarter energy use at home.

Nonprofit Energy Makeover Contest:

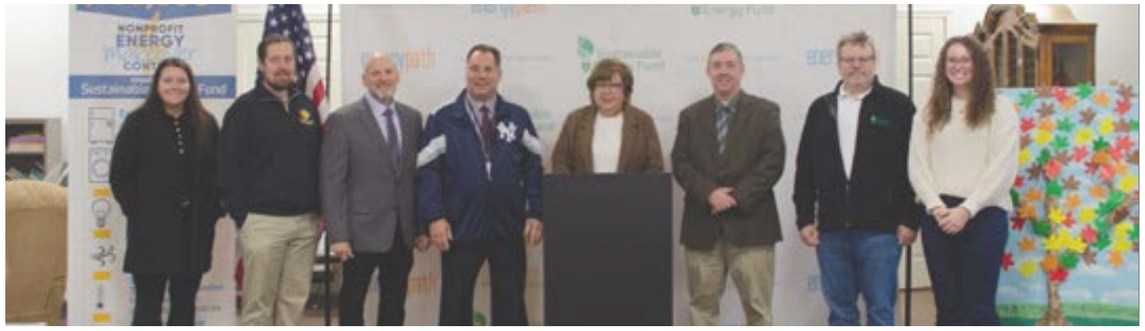
The winner of our Nonprofit Energy Makeover Contest was Family Promise of Carbon County, a shelter dedicated to providing temporary housing, meals, and a safe place to sleep for families in need. Sustainable Energy Fund provided upgrades to HVAC, lighting, building envelope improvements, water heating and appliances. We donated 2 washers and 2 dryers, which allow residents to do more laundry at once, in an energy efficient manner. In addition, we donated a convection range with an induction cooktop. This stovetop is more energy-efficient. It boils water faster, allowing more residents to cook for themselves in less time. For the kitchen, we also replaced their current refrigerator/freezer with a freestanding reach-in refrigerator and freezer. Family Promise receives weekly food donations. This gives them the space to store everything, where previously they could not use all of the perishable foods in time.

Kick Off:

Our work with Family Promise of Carbon County shows how volunteers, contractors, and sponsors can come together to make a real impact. SEF hosted a welcome kicking off the energy upgrades with Bergey's Electric updating the lighting and Koch's Appliances delivering appliances. Local officials also presented during the welcome, including Carbon County Commissioner Sofranko, Representative Doyle Heffley (122nd district), and David McAndrew Jr., Panther Valley School District Superintendent. The Makeover work was supported by A1 Energy, First Northern Bank and Trust , and National Energy Improvement Fund.

Snapshot of events 2025:

SEF provided 11 presentations or seminars for 723 attendees, for a total of 1,492 educational hours. In addition, the Sustainable Energy Fund was represented at 10 events as an exhibitor throughout the year, for a total of 133 educational hours.

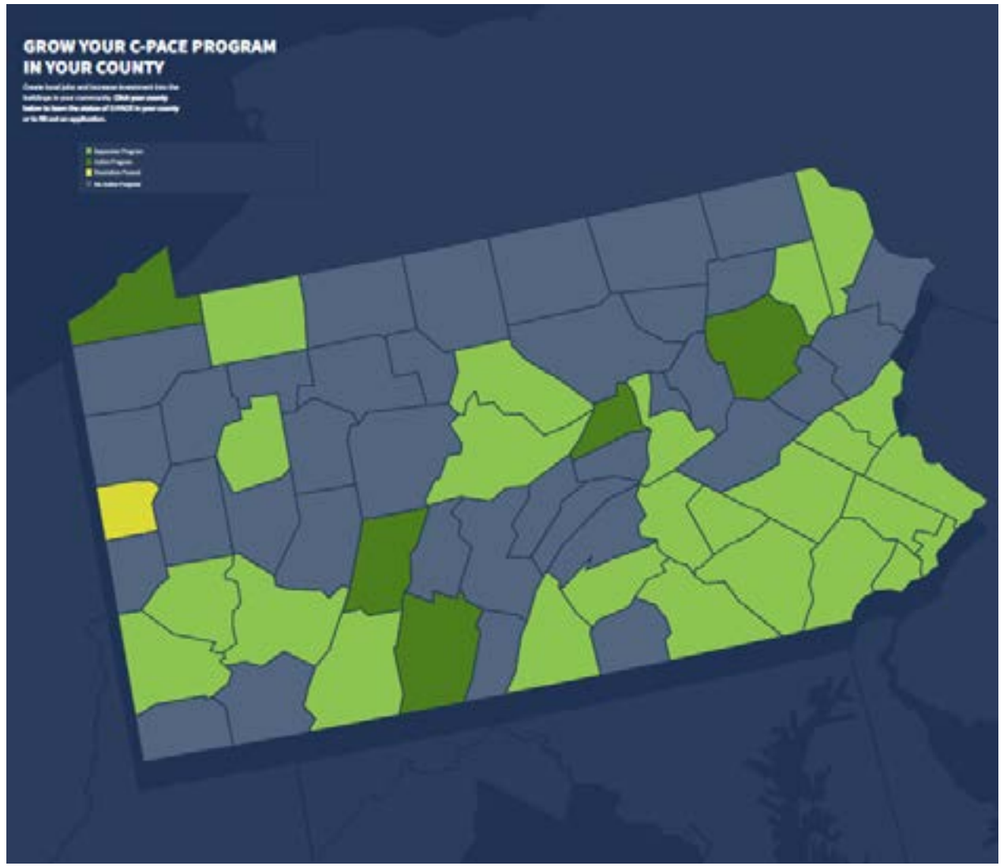


PA C-PACE REPORT

In 2025, one additional county adopted the C-PACE resolution, and two projects closed.

The first project is located in Allegheny County at 1415-1461 Smallman St. It was a new construction office building with retail and restaurant space, with $10 million in C-PACE financing. The 251,000-square-foot, 8-story facility has office space on the top 7 floors, and the first floor is retail. The energy and water conservation measures include building envelope, lighting, and HVAC systems. The as-designed energy measures were reported to reduce electricity consumption by 307,009 kWh, reportedly saving $34,569 annually.

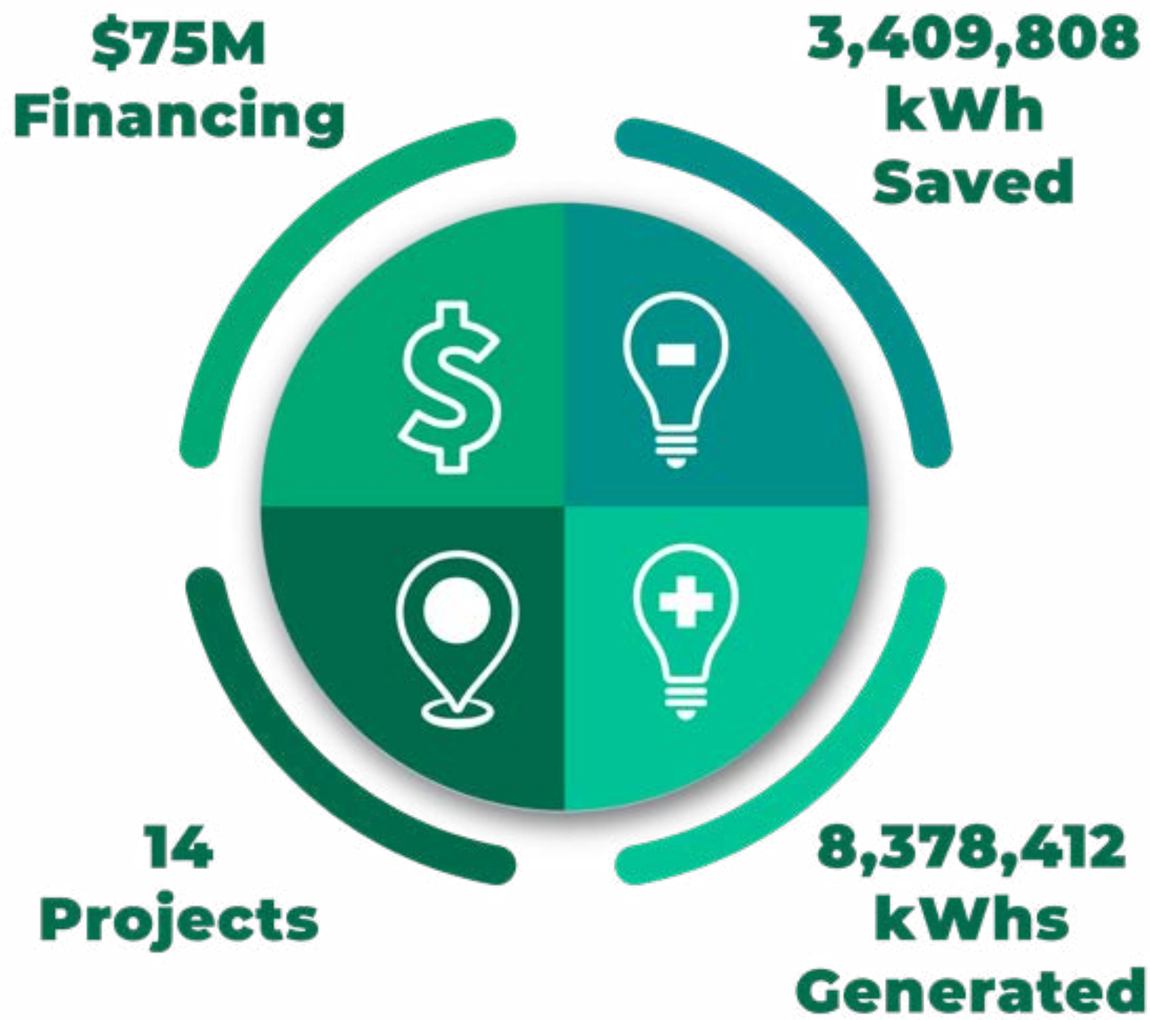
The second project is located in Centre County, 1705 E. Trout Rd. The project is a new construction, four-story extended-stay hotel with $1.6 million in C-PACE financing. The energy and water conservation measures include building envelope, lighting, HVAC, and domestic water heating. The energy measures were reported to reduce electricity consumption by 83,489 kWh and natural gas consumption by 1,668 therms per year, saving $11,007 annually.



COUNTIES WITH RESOLUTIONS PASSED

Allegheny
Bedford
Berks
Bucks
Cambria
Centre
Chester
Clarion
Clinton
Cumberland
Dauphin
Delaware
Erie
Franklin
Lackawanna
Lancaster
Lawrence
Lebanon
Lehigh
Luzerne
Montgomery
Northampton
Northumberland
Philadelphia
Somerset
Union
Warren
Washington
Wayne

C-PACE IMPACT



FINANCE REPORT

Investing in a Regenerative Future

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 $168 million combined. Sustainable Energy Fund has made more than $74 million in program-related investment, three times our original 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
- replace a “dirty” fossil fuel with clean energy source.

In 2025, SEF committed over $991,842 and dispersed over $2,929,893 in clean energy financing for commercial entities in Pennsylvania. Sustainable Energy Fund’s financing is not just about providing loans; it is an investment in developing and growing clean energy initiatives. This can include projects related to renewable energy, energy efficiency, and other sustainable practices.

Our Energy Service Provider (ESP) network continues to be a vital part of that work. The ESP network brings together companies and contractors specializing in renewable energy and energy efficiency. Through this collaboration, our partners help advance regenerative energy solutions across Pennsylvania while moving impactful projects forward in their own communities.

In 2025, we strengthened those connections through the Energy Service Provider Experience, a weekend gathering designed to support and elevate our contractor partners. The event featured educational seminars, peer learning, and networking opportunities aimed at helping businesses grow while expanding our reach throughout the region.

DISBURSEMENTS AND COMMITMENTS

- Financial Commitments: $991,842
- Financial Disbursements: $2,929,893

The Financial Report coming later in July with auditors.

2025 LIABILITIES

Accounts Payable	$8,751
Accrued Expense and Deferred Revenue	$12,756
Accrued Salary and Benefits	$27,964
Deferred ESA Income	$2,917
TOTAL LIABILITIES	**$52,388**

2025 ASSETS

Cash and Cash Equivalents	$1,068,676
Accounts Receivable	$849
Inventory	$6,613
Investments	$7,345,920
Program Related Loans Receivable	$5,235,219
Net Investment in National Energy Improvement Fund, LLC	
Equipment, Net	$5,309,501
Prepaid Expense and Deposits	$43,900
TOTAL ASSETS	**$19,010,677**

2025 NET ASSETS

Unrestricted Net Assets	$20,068,145
TOTAL LIABILITIES & NET ASSETS	**$20,120,534**

A YEAR OF TRANSITION

From Sustainable Energy Fund to Regenerative Energy Initiative

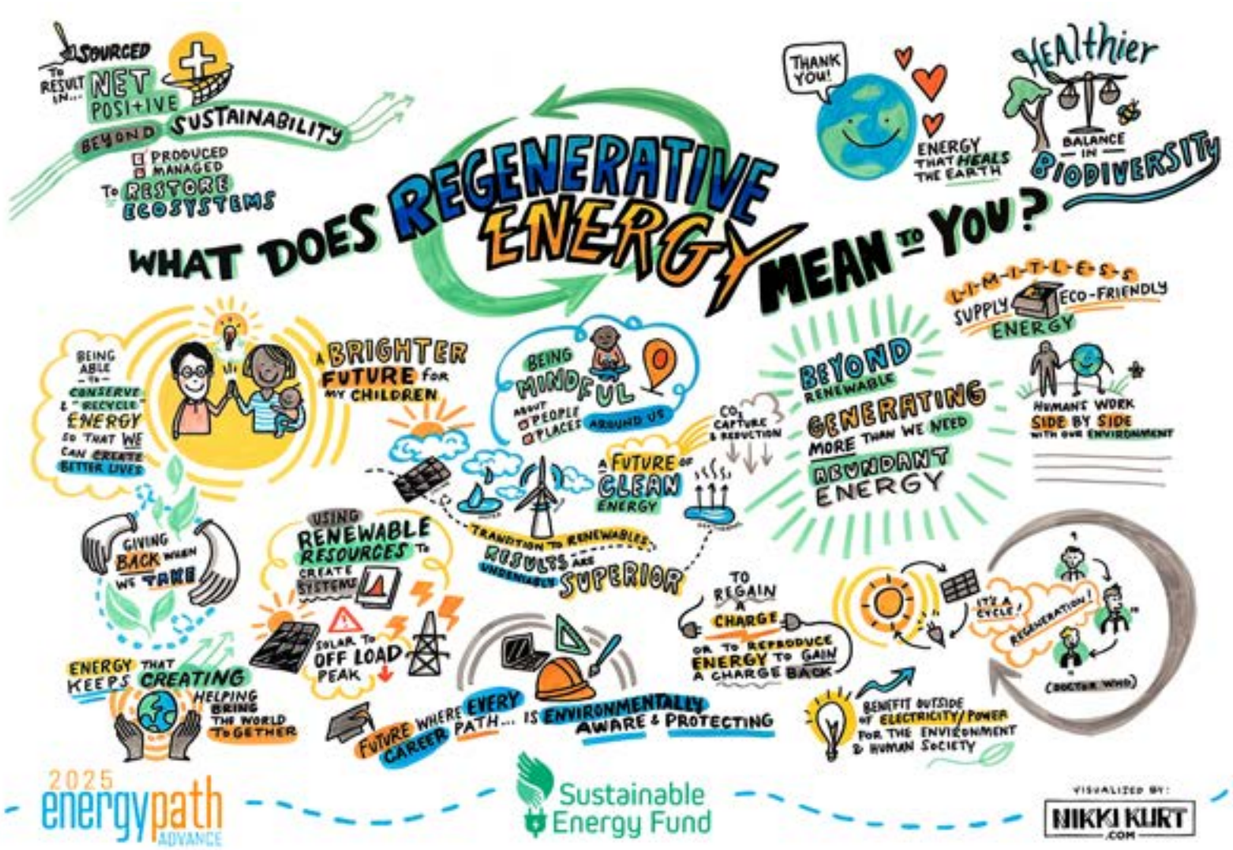
In 2025, Sustainable Energy Fund began its transition to the Regenerative Energy Initiative, reflecting both who we are and where we are going.

Building on decades of advancing energy efficiency and renewable energy, this evolution expands our focus toward systems that restore, strengthen, and sustain communities.

Regeneration goes beyond reducing harm. It is about: 1-Creating systems that give back more than they take, 2-Strengthening communities and local economies and 3- Designing solutions that are resilient and enduring.

As we look ahead, this transition positions SEF to deepen impact, expand partnerships, and help shape the next generation of energy solutions.

This is not just a new name.
It is a new way forward.







PHILOSOPHY

CORE VALUE

Revitalize Living Systems

CORE PROCESS

Enable Action

CORE PURPOSE

Realize a **Regenerative** Energy Future

VOCATION

Enable influencers to effect action by energy users and creators

GLOBAL IMPERATIVE

Our ethics, if society and the earth could speak for themselves

REGENERATIVE
ENERGY INITIATIVE



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