ANNUAL REPORT 2019

Seeking a **REGENERATIVE ENERGY** Future



Sustainable Energy Fund

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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

LETTER TO STAKEHOLDERS

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 REPORT

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

NET ZERO BUILDING REPORT



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.

PROJECT DETAILS

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.









FINANCE REPORT

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.

"Utilizing Sustainable Energy Fund's financing is an investment in a clean energy future in Pennsylvania."

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



C-PACE REPORT

Pennsylvania C-PACE was signed into law in the summer of 2018 to help commercial, industrial, and agricultural properties in the commonwealth become more energy and water efficient. In 2019, model Program Guidelines were finalized and resolutions for C-PACE were passed in nine counties:

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

SEF looks forward to seeing continued growth in the Pennsylvania C-PACE program in 2020 in the form of more counties passing C-PACE resolutions and the approval and financing of the first Pennsylvania C-PACE projects.

SEF AS ADMINISTRATOR

Sustainable Energy Fund has openly offered to act as the Program Administrator for any local unit of government in the Commonwealth of Pennsylvania.

ABOUT C-PACE

C-PACE is a financial tool for property owners to obtain low-cost, long-term financing for energy efficient equipment, water conservation, and renewable energy projects. C-PACE can provide up to 100% funding of total project costs.





COMMITTED PROJECTS

PINE FORGE ACADEMY	$18,625
ULTIMATE CAR WASH AND LUBE	$11,360
FORTRESS POWER, LLC	$103,944
FORTRESS POWER, LLC	$125,770
FORTRESS POWER, LLC	$350,000
REMOLINO, LLC	$95,000
MR. WIZARD CAR WASH	$95,000
TROPICAL STONE, LLC	$47,160
CIMA NETWORK	$35,875

FINANCIALS

ASSETS	2019
Cash and Cash Equivalents	$383,537
Accounts Receivable	$2,318
Inventory	$2,365
Investments	$8,514,322
Program Related Loans Receivable, Net	$6,861,326
Investment in National Energy Improvement Fund, LLC	$413,827
Equipment, Net	$6,314,738
Prepaid Expenses and Deposits	$30,677
TOTAL ASSETS	**$22,523,110**

LIABILITIES	2019
Accounts Payable	$56,069
Accrued Expense/Deferred Revenue	$30,765
Accrued Salary/Benefits	$54,678
Line of Credit	$1,640,770
Deferred ESA Income	$297,917
TOTAL LIABILITIES	**$2,080,199**

NET ASSETS	2019
Unrestricted Net Assets	$20,442,911
TOTAL LIABILITIES/NET ASSETS	**$22,523,110**



TOTAL LIABILITIES/NET ASSETS: **$22,523,110**

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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





Sustainable Energy Fund

Live it today for tomorrow.

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