ANNUAL REPORT



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ESSENCE

CORE VALUE

REVITALIZE LIVING SYSTEMS

CORE PROCESS

REALIZE A REGENERATIVE ENERGY FUTURE

CORE PURPOSE

ENABLE ACTION

VOCATION

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

LETTER TO STAKEHOLDERS

Dear Stakeholders,

2021 was a challenging year for the Sustainable Energy Fund. Although we maintained a sizable loan portfolio through most of the year, we lost a principal non-traditional borrower due to a merger. There are significantly more financing providers for energy efficiency and renewable energy projects than ten years ago. I expect SEF's lending business to rebound from the 2021 performance but not at levels before the pandemic. This loss will significantly impact the Fund's interest income. Although SEF provided some educational activities, the Energypath conference and training activities were below historical levels. Also, due to business activity associated with the pandemic, SEF has been unable to lease tenant space in the net-zero building.

On the positive side, web-based training has been successful and has generated a new revenue source. Loan interest income was significantly higher than usual due to two non-traditional loans. The organization deployed Alternative Compliance Payment funds to renewable electricity-producing projects. Also, SEF efforts with C-PACE are seeing results as more counties implement a program where SEF is the program administrator.

The organization continues its journey to becoming regenerative. We have continued to reinvent ourselves, transitioning from a mechanistic organization to one that views systems, organizations, and society as living wholes. As SEF strives to be a leader in the community and business, it operates in a way that contributes more to the community, the earth, its employee, and vendors than it takes. In the end, the organization seeks to set the conditions for life to renew itself continuously.

John Costlow,
PRESIDENT/CEO



EDUCATION REPORT

The annual Energy Service Provider Experience was canceled for 2021 due to ongoing COVID restrictions. At the beginning of the year, SEF focused its educational efforts on virtual events and webinars. As the year progressed, we saw some events return, including Energypath 2021. The result was a year of continued outreach and engagement virtually and in person to our ESPs and other stakeholders.

Energypath 2021 Building Wellness at Minimal Energy Penalty took place on Tuesday, June 29th, at DeSales University. The event featured a Keynote lunch by Douglas Fisk on Equals: the Progression of Wellness in Buildings. The event also included sessions on topics such as Energy Efficiency and Implications of Ventilation and Wellness Standards, Energy Minimization Utilizing Existing Technologies, and HVAC Strategies for Safeguarding Wellness.

SEF was very excited to finally hold the Net Zero Energy building ribbon-cutting in September. The Net Zero Energy building showcases our dedication to walking the walk. Approximately 40 people attended, including State Representative Gary Day, Lehigh County Executive Phil Armstrong, and representatives from Senator Patrick Brown's and Congresswoman Susan Wild's offices. The ceremony included a dedication of the Craig Onori Energy Education Classroom.

Following the ceremonies, we held our first seminar on the Net Zero Building, presented by SEF, Ashely McGraw Architects, TN Ward, and AKF Group. While 2021 continued to present challenges, we were able to offer a series of hybrid events, including webinars and building tours. We look forward to using the Craig Onori Energy Education Classroom in 2022.

2021 EDUCATION OVERVIEW

EVENT ATTENDEES: **528**

EVENTS HELD: **20**

C-PACE REPORT

C-PACE continued to grow in 2021. Delaware, Erie, Westmoreland, Luzerne, Bucks, Warren, and Dauphin Counties all passed resolutions for C-PACE. This brought the count to a total of twenty counties.

In 2021, two additional projects closed: the Commodore in Northampton County and 10 Duff in Allegheny County. The Commodore secured $3.4 million in private financing through Pennsylvania C-PACE. The project is an energy-efficient mixed-use building containing office, retail, and restaurant space. Eligible energy improvements funded through C-PACE include high-efficiency heating and cooling systems, LED lights, and upgrades to the building envelope and plumbing fixtures.

10 Duff in Allegheny County secured $951,977 in financing through C-PACE, which will be used for an updated HVAC system, LED lighting throughout the building, building envelope, high-efficiency elevators, a building management system, and updated plumbing fixtures in this multi-use commmercial property.

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

COUNTIES WITH RESOLUTIONS PASSED

ALLEGHENY COUNTY
BEDFORD COUNTY
BERKS COUNTY
BUCKS COUNTY
CENTRE COUNTY
CHESTER COUNTY
DAUPHIN COUNTY
DELAWARE COUNTY
ERIE COUNTY
LAWRENCE COUNTY
LEBANON COUNTY
LEHIGH COUNTY
LUZERNE COUNTY
MONTGOMERY COUNTY
NORTHAMPTON COUNTY
PHILADELPHIA COUNTY
WARREN COUNTY
WASHINGTON COUNTY
WAYNE COUNTY
WESTMORELAND COUNTY

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 in financing projects worth over $160 million combined. Sustainable Energy Fund has made over $60 million in program-related investments. The Sustainable Energy Fund has committed $764,727 and dispersed $1,021,933. 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 fossil fuels with a clean energy source

In 2021, we offered the ACP Renewable Energy Loan drop relvolving loan fund. Sustainable Energy Fund provided loans at an interest rate of 1% thanks to Alternative Energy Compliance Payments from electric generation supplier defaults. The offer was for a limited time and for loans up to $100,000—the projects are required to generate renewable energy and must be registered with the Pennsylvania Public Utility Commission Alternative Energy Credit Program. The program was fully subscribed to in 2021.

Our mission is to move society towards a sustainable energy future – starting locally. In 2018, we instituted a Nonprofit Energy Makeover Contest that audited over 40 Pennsylvania nonprofits to highlight local efforts. A result of this contest was the realization that nearly all of these organizations' facilities suffered weatherization issues in their buildings, negatively affecting the comfortability of staff and increasing electric bills.

As a partner in many sustainability projects, we know that whole systems thinking is often a pathway to meaningful change, so the Nonprofit

Weatherization Fund was created. This fund receives 10% of the interest paid on all loans the Sustainable Energy Fund disperses. This money goes to completing building weatherization projects, which helps improve a nonprofit's energy efficiency and support their financial wellbeing.



DISBURSEMENTS AND COMMITMENTS

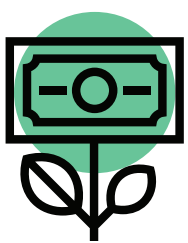
FINANCIAL COMMITMENTS	$764,727
FINANCIAL DISBURSEMENTS	$1,021,933

FINANCIAL REPORT

$24 MM

Total Liabilities and Net Assets

ASSETS	2021
Investments	$12,933,261
Program Related Investments	$3,293,629
Equipment and Building, Net	$7,033,199
Other Assets	$1,174,591
TOTAL ASSETS	**$24,434,680**



LIABILITIES	2021
Mortgage Loan Payable	$3,822,409
Other Liabilities	$380,570
TOTAL LIABILITIES	**$4,212,979**

NET ASSETS	2021
Unrestricted Net Assets	$20,221,701
TOTAL LIABILITIES & NET ASSETS	**$24,434,680**

BOARD MEMBERS



Jocelyn Cramer
BOARD CHAIR



Brandi Snyder
VICE CHAIR



Larry Eighmy
SECRETARY/TREASURER



Evan Pappas
BOARD MEMBER



Lynn Rothman
BOARD MEMBER



Rudy Shankar
BOARD MEMBER



Kurt Zwerko
BOARD MEMBER

STAFF



John Costlow
PRESIDENT/CEO

MEMBERS



Kelly Sanders
DIRECTOR OF PROGRAMS



Brent Beck
ENERGY ENGINEER



Scott DeStefon
PRI ANALYST



Brian Hillard
GOVERNMENT RELATIONS



Samantha Kern
MARKETING COORDINATOR



Sally Kratz
ACCOUNTANT



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RELATIONSHIP MANAGER



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