

The Metropolitan Edison Company/Pennsylvania Electric Company

SUSTAINABLE ENERGY FUND



Report of 2015 Activities

February 11, 2016

Our Mission Is To Promote:

1. The development and use of renewable and clean energy technologies;
2. Energy conservation and efficiency;
3. Sustainable energy businesses;
4. And projects that improve the environment in the Metropolitan Edison Company/Pennsylvania Electric Company service territories, as they relate to the companies' transmission and distribution facilities.

2015 Advisory Committee Members

Mr. John Ubinger, Jr.	Advisor to Environmental Non-Profit Organizations
Ms. Marybeth Smialek	FirstEnergy
Mr. Frank D. Plank	Knouse Foods Cooperative, Inc.
Mr. Brian Vayda	American Powernet
Ms. Beverly Weaver	Erie County Housing Authority
Mr. Greg Winger	First National Bank of PA
Mr. Joseph Jacobsen	Pittsburgh Gateway's Energy Innovation Center
Mr. Brian Hill	Richard King Mellon Foundation
Mr. Chady Zablit	Phoenix Technology Holdings

Staff

Mike Kane
Angie Berzonski
Penelec Sustainable Energy Fund
Community Foundation for the Alleghenies



Heidi Williamson
Met Ed Sustainable Energy Fund
Berks County Community Foundation



Scott Gebhardt
Pennsylvania Public Utilities Commission

Sample Activities

- Hosted statewide hydroelectricity conference for policymakers and stakeholders
- Hosted second annual statewide meeting for sustainable energy funders
- Published 15th Anniversary Report
- Presented Fund's opportunities, mission, and history at seminars across the territories with First Energy
- Managed third annual Energy Audit Grants Program for nonprofit organizations

2015 Approvals

From January 1, 2015 – December 9, 2015, the funds approved financing totaling **\$1,374,000**.

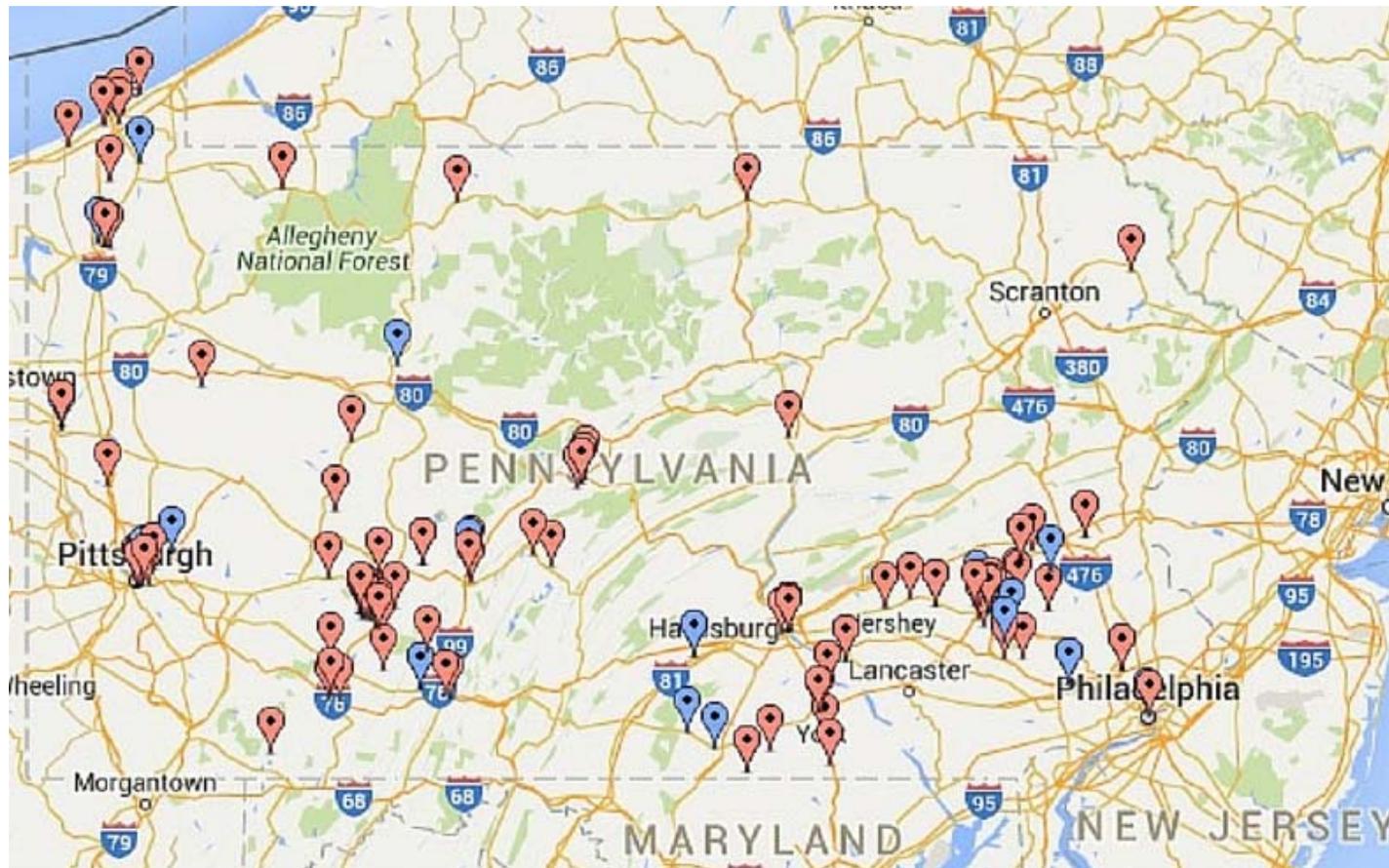
Of that total, **\$204,000** was authorized for **15 grants** and **\$1,170,000** was authorized for **4 loans/investments**.

Since Inception

The Met Ed/Penelec SEF has approved:

- 147 grants totaling **\$3,083,018**
- 43 loans totaling **\$23,513,724**
- 3 equity investments totaling **\$1,600,000**

Project mapping



Projects approved by the Sustainable Energy Fund through Dec. 1, 2015.

2015 Grants

Project	Amount	Comments	Date
Kutztown Univ. Foundation	\$35,000	Replace inefficient lighting with LEDs	3/24/15
Jager & Friends Dog Park	\$15,000	Solar PV installation	8/20/15
Reading Public Museum	\$4,000	Energy education summer program	10/27/15
YMCA of Reading & Berks	\$10,000	Energy audit program	10/27/15
Boyertown Lions Ambulance	\$10,000	Energy audit program	10/27/15
Clay on Main	\$10,000	Energy audit program	10/27/15
Punxsutawney Area Arts & Rec Center	\$10,000	Energy audit program	10/27/15
Blacklick Valley Foundation & Ambulance	\$10,000	Energy audit program	10/27/15
Christian Home of Johnstown	\$10,000	Energy audit program	10/27/15
Railroaders Heritage Corp.	\$10,000	Energy audit program	10/27/15
Valley Pike Manor	\$10,000	Energy audit program	10/27/15
Gautier Steel, Ltd.	\$25,000	Replace inefficient lighting with LEDs	11/13/15
Pocono Environmental Education Center	\$25,000	Remodel cabins with sustainable materials to educate campers	12/9/15
Cresson Lake Playhouse	\$10,000	Replace halogen theatre lights with LEDs	12/9/15
Reading Public Library	\$10,000	Energy audit	12/9/15

2015 Loans

Project	Amount	Comments	Date
Bethany Children's Home (loans provided from both funds)	\$370,000	Convert furnaces from oil to gas	3/24/15
Johnstown Business District Development Corporation	\$300,000	Energy efficient redevelopment to create a specialized education/business center	10/9/15
Gautier Steel, Ltd.	\$500,000	Installation of variable frequency drives for titanium mill expansion	11/13/15

Gautier Steel, Ltd.

Titanium Mill Construction Project

- Will add 18 FT jobs and retain 25 FT jobs, in addition to indirect and temporary job creation.
- Mill equipment and associated motors are being relocated from another facility to eliminate the purchase of new, then refurbished and maintained under an energy efficient plan for mill motor maintenance.
- Relocation and reconstruction of this mill (phase 3) is an \$18.9 million project.
- \$500,000 Penelec SEF loan supports installation of variable frequency drive controls on two refurbished WWII-era Westinghouse motors.

Gautier Steel, Ltd.

Titanium Mill Construction Project

- Three energy efficient aspects of the project are anticipated to save 3.6 million kWh (\$253,063) annually, and reduce CO2 emissions by 3,097 metric tons.
 1. New lighting system: Saves 140,220 kWh and \$9,815 annually; reduces CO2 emissions by 97 metric tons.
 2. Water treatment plant upgrades: Save 630,969 kWh and \$44,168 annually; reduces CO2 emissions by 435 metric tons.
 3. VFD installation: Saves 2.8 million kWh and \$199,080 annually; reduces CO2 emissions by 2,565 metric tons.

Gautier Steel, Ltd.

MILL CONTROLS & DRIVES



PUMPS, MOTORS & VALVES



FOUNDATIONS & PIPING



Energy Audit Program

Third Year of Program

- In 2015, provided up to \$10,000 for energy audits for 8 organizations throughout the territory and closed a \$370,000 loan to a 2014 grantee
- Implementation loans available following energy audits

Energy Audit Program



Clay on Main,
Oley, PA



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Energy Audit Program



Reading YMCA

Pocono Environmental Education Center

- ▶ \$25,000 grant to upgrade camper cabins



2016 Business Plan

Goal One: Develop sustainable and/or renewable energy projects that can be funded in the calendar year 2016.

Goal Two: Use strategic grantmaking to fulfill the fund's conservation and environmental goals, including educational programs and the promotion of energy efficiency in non-profit, governmental, school district and commercial buildings.

2016 Business Plan

Goal Three: Target \$1,500,000 in investments (either as loans or equity participation) in qualifying projects. These investments may be used to fund performance-based loans that allow for the implementation of renovations in non-profit, governmental and commercial buildings where a significant reduction in kilowatt hours drawn from the grid is anticipated.

Goal Four: To participate in the relevant activities of state, regional and national sustainable energy fund networks, including relevant conferences and presentations.

2016 Business Plan

Goal Five: To maintain a website that promotes the fund, educates the public and offers insights into alternative energy.

Goal Six: To maintain the due-diligence program established with Kutztown University's Small Business Development Center for alternative energy companies and projects.

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www.metedpenelecsef.org

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