



Regulation is a maze. We can show you the way!

Judith D. Cassel
717.703.0804
jdcassel@hmslegal.com

Micah R. Bucy
717.703.0813
mrbcy@hmslegal.com

501 Corporate Circle, Suite 302, Harrisburg, PA 17110 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

February 11, 2026

By Electronic Filing

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – Second Floor North
Harrisburg, PA 17120

RE: Sustainable Energy Fund; Utility Code: 1119955; Docket No. M-2023-3041567;
SEF'S ANNUAL REPORTS FOR YEARS 2020 TO 2024

Dear Secretary Homsher:

Enclosed you will find copies of the Sustainable Energy Fund's Annual Reports for Years 2020 to 2024.

Very truly yours

/s/ Judith D. Cassel

Judith D. Cassel
Micah R. Bucy

Counsel for Sustainable Energy Fund

JDC/MRB/das
Enclosures

2020

ANNUAL REPORT 2020

OVERCOMING OBSTACLES
TO INCREASE IMPACT





CONTENTS

ESSENCE	p1
LETTER TO STAKEHOLDERS	p2
SPECIAL PROJECTS REPORT	p4
C-PACE REPORT	p6
FINANCE REPORT	p8
COMMITTED PROJECTS	p10
FINANCIALS	p11
BOARD AND STAFF	p12

ESSENCE

CORE VALUE

REVITALIZE LIVING SYSTEMS

CORE PROCESS

REALIZE A REGENERATIVE
ENERGY FUTURE

CORE PURPOSE

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,

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.

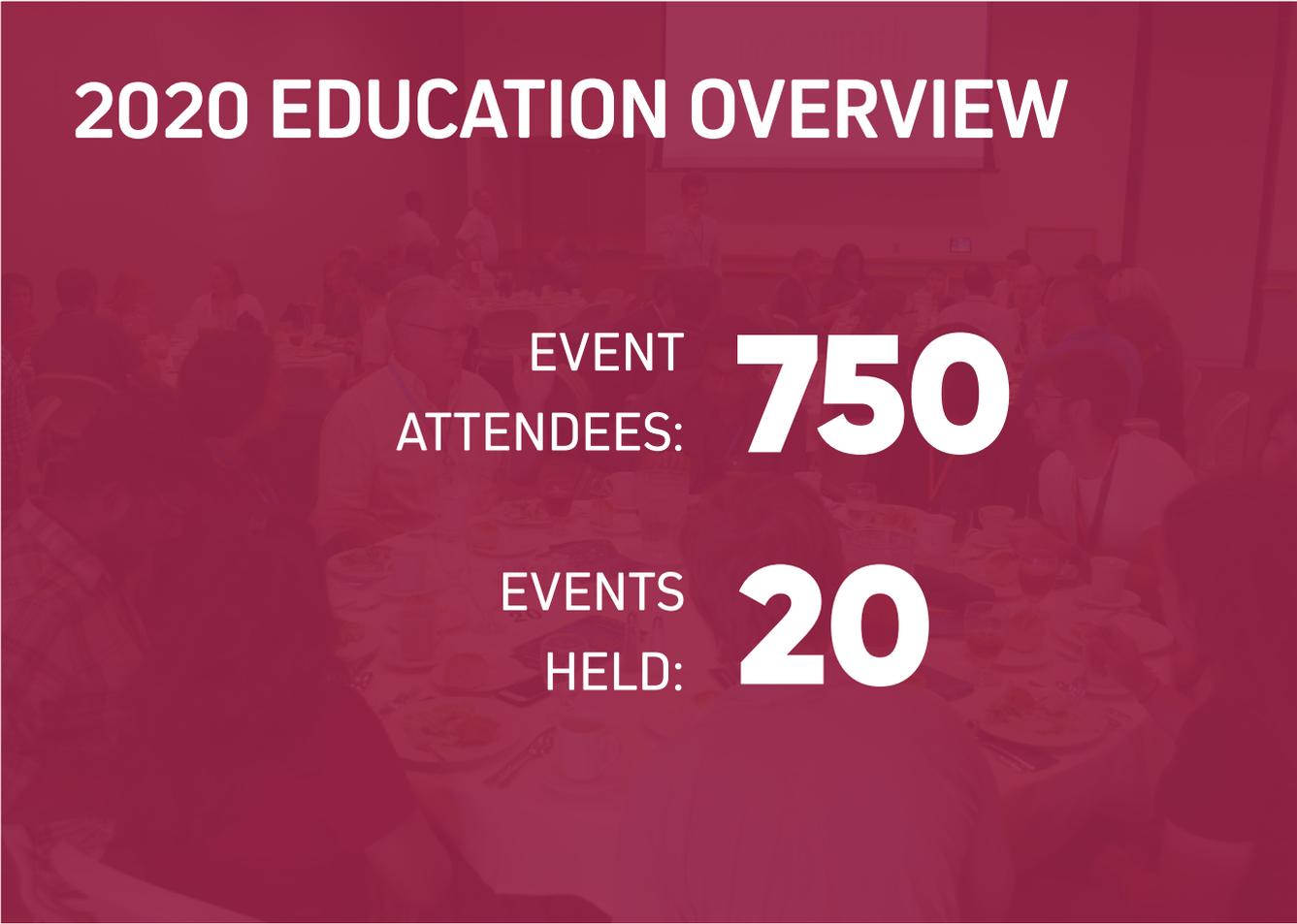
In addition, SEF hosted several other events in 2020. These included a tour of our net-zero-energy building, sessions about C-PACE and webinars on various topics presented by ESPs.

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
TOTAL ASSETS	\$24,085,707



FINANCIAL

REPORT

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

NET ASSETS	2020
Unrestricted Net Assets	\$19,671,999
TOTAL LIABILITIES & NET ASSETS	\$24,085,707

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



4250 Independence Drive, Suite 100, Schnecksville, PA 18078 610.264.4440 thesef@thesef.org www.thesef.org

2021

ANNUAL REPORT





CONTENTS

ESSENCE	p 1
LETTER TO STAKEHOLDERS	p 2
SPECIAL PROJECTS REPORT	p 4
C-PACE REPORT	p 6
FINANCE REPORT	p 8
COMMITTED PROJECTS	p 10
FINANCIALS	p 11
BOARD AND STAFF	p 12

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 commercial 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:

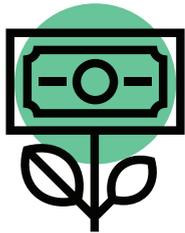
- reduce energy consumption;
- generate energy from a renewable resource; or
- replace fossil fuels with a clean energy source

In 2021, we offered the ACP Renewable Energy Loan drop revolving 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

\$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



FINANCIAL

REPORT

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

MEMBERS



John Costlow
PRESIDENT/CEO



Kelly Sanders
**DIRECTOR OF
PROGRAMS**



Brent Beck
ENERGY ENGINEER



Scott DeStefon
PRI ANALYST



Brian Hillard
**GOVERNMENT
RELATIONS**



Samantha Kern
MARKETING COORDINATOR



Sally Kratz
ACCOUNTANT



Renee Riley
RELATIONSHIP MANAGER



4250 Independence Drive, Suite 100, Schnecksville, PA 18078 610.264.4440 thesef@thesef.org www.thesef.org

2022



**20
22**

ANNUAL REPORT



CONTENTS:



ESSENCE	P. 1
LETTER TO STAKEHOLDERS	P. 2
SPECIAL PROJECTS REPORT	P. 4
C-PACE REPORT	P. 6
FINANCE REPORT	P. 8
COMMITTED PROJECTS	P. 10
FINANCIALS	P. 11
BOARD AND STAFF	P. 12

ESSENCE:



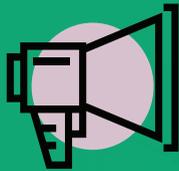
CORE VALUE

Revitalize living systems



CORE PROCESS

Realize and regenerate 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

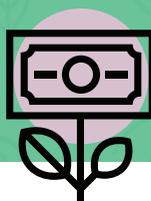
LETTER TO STAKEHOLDERS

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

LDERS:

A man wearing a white hard hat and a high-visibility yellow safety vest over a light blue shirt is shaking hands with a woman in a white button-down shirt. They are standing in front of a large array of solar panels. The background shows a clear blue sky and distant mountains. The image has a green overlay with a white dot pattern.

SUSTAINABLE FACT:

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Quisque nunc diam, scelerisque at dui eu, euismod mattis augue. Vestibulum est.



SUSTAINABLE FACT:

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Quisque nunc diam, scelerisque at dui eu, euismod mattis augue. Vestibulum est.

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.

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.

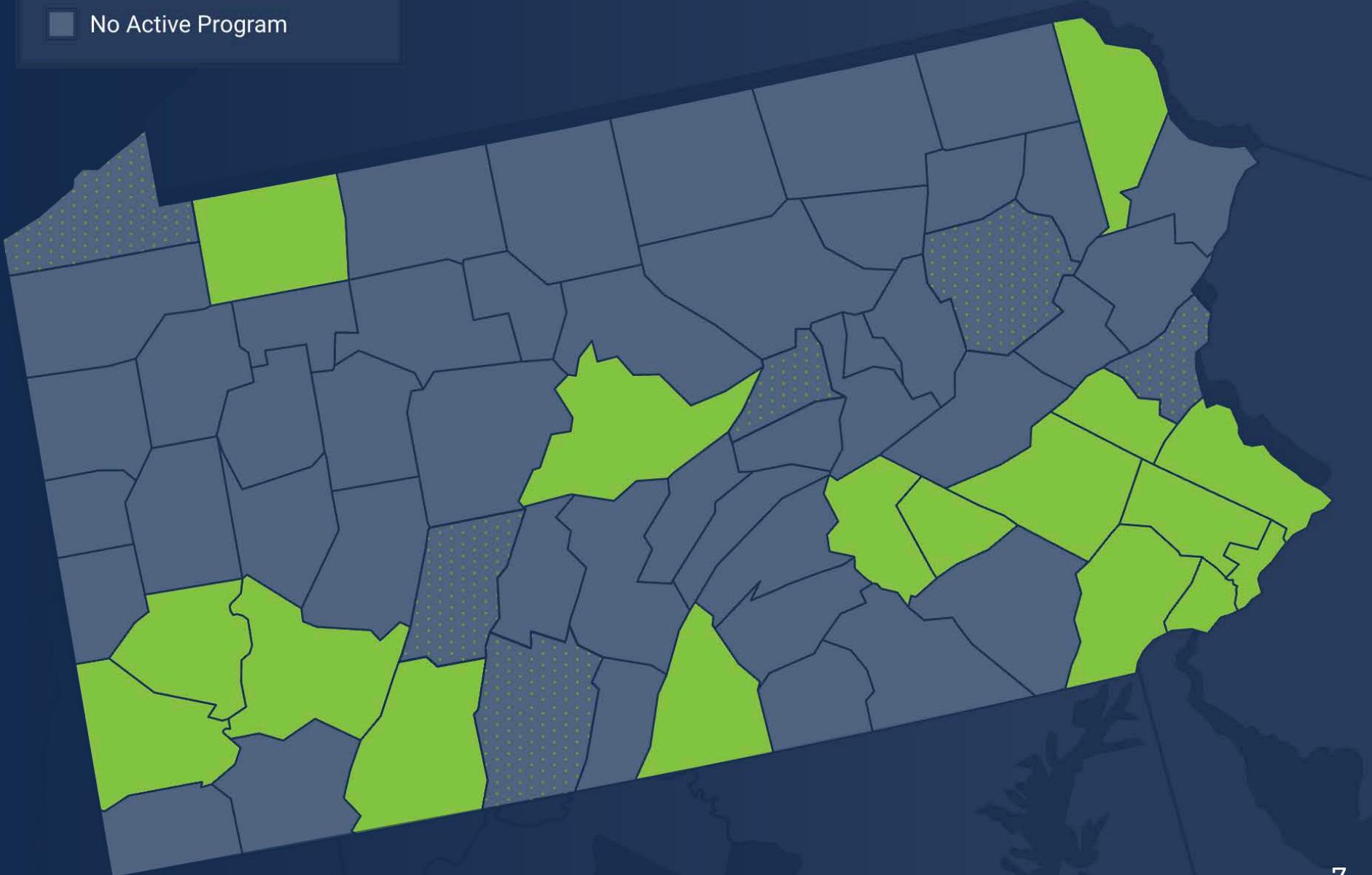
10 Duff in Allegheny County secured \$951,977 in financing through C-PACE, which will be used for an updated HVAC system, LED lighting throughout the building, building envelope, high-efficiency elevators, a building management system, and updated plumbing fixtures in this multi-use commercial property.

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



COUNTIES WITH RESOLUTIONS PASSED

- Expansion Program
- Active Program
- No Active Program





SUSTAINABLE FACT:

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Quisque nunc diam, scelerisque at dui eu, euismod mattis augue. Vestibulum est.

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 revolving 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.



FINANCE REPORT:

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

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

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

\$24MM

Total Liabilities and Net Assets

\$764,727

Financial Commitments

\$1,021,933

Financial Disbursements





SUSTAINABLE FACT:

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Quisque nunc diam, scelerisque at dui eu, euismod mattis augue. Vestibulum est.

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 MEMBERS:



JOHN COSTLOW
President/CEO



KELLY SANDERS
Director Of Programs



BRENT BECK
Energy Engineer



SCOTT DESTEFON
Pri Analyst



BRIAN HILLARD
Government Relations



SAMANTHA KERN
Marketing Coordinator



SALLY KRATZ
Accountant



RENEE RILEY
Relationship Manager



4250 Independence Drive, Suite 100, Schnecksville, PA 18078 610.264.4440 thesef@thesef.org www.thesef.org

2023

2023 ANNUAL REPORT



Sustainable
Energy Fund

CONTENTS



ESSENCE	1
LETTER TO STAKEHOLDERS	2
EDUCATION REPORT	4
C-PACE REPORT	6
FINANCE REPORT	8
FINANCIAL REPORT	11
BOARD MEMBERS	12
STAFF MEMBERS	13

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,

In 2023, Sustainable Energy Fund C-PACE administration outperformed expectations, and the value of the Program-Related loan portfolio grew. However, the positive direction was not enough to offset the cost of operations. This is a significant challenge for the organization as it attempts to move from an environment of being supported by its investment portfolio, the business model since inception, to a model where ongoing operations support the organization by themselves.

The world of sustainable energy is changing rapidly. What once was cutting-edge is now standard. For example, SEF used to be one of the few specialty lenders in the energy efficiency and renewable energy ecosystem, but it is now accompanied by large, well-established institutions. For example, Carl Boccuti from TD America stated that TD invested \$700 million in energy savings projects and has unwritten \$11.5 billion in green bonds. Additionally,

sustainable energy is being absorbed by the larger, more encompassing movement of environmental, social, and governance or ESG. There are environmental pressures to move SEF in the direction of sustainability versus sustainable energy. This creates a challenge for SEF that it does not wander from its core mission of bringing sustainable energy to electric ratepayers who initially funded SEF. This is the most significant challenge for SEF in 2024 as it reimagines itself.

SEF has focused on the individual consumption and production aspects of sustainable energy. As these components become more common, focusing on the whole energy system will be essential. This is a shift for the Fund in thinking in terms of the circular energy system, whether it be the building, the community, the region, or the grid as a whole. It is now time that these disparate systems of energy efficiency, energy conservation, and renewable energy, the three pillars of sustainable energy, work as a single more efficient, reliable, and affordable system.



JOHN COSTLOW
President/CEO



EDUCATION REPORT

Sustainable Energy Fund education programs continue to evolve to meet the changing needs of our stakeholders. The year began with the 107th Pennsylvania Farm Show. Staff participated as an exhibitor and had the chance to educate visitors over eight days on various forms of sustainable energy.

The 2023 Energy Service Provider Experience brought together this group of contractors for a weekend of educational seminars and networking opportunities to help their businesses. The weekend highlights included a session that took a deep dive into the Inflation Reduction Act and the keynote dinner presentation, “From Hardship to Success,” which explored overcoming adversity at a business and personal level.

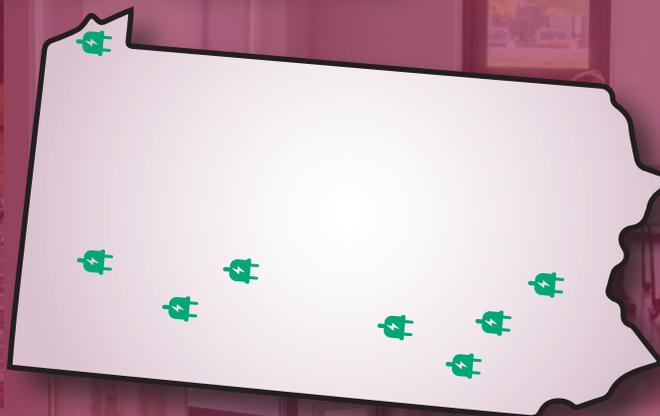


This year’s Epstein Lifetime Achievement Award was awarded to Peter Krajsa in Hershey on July 11th. Each year, the Epstein Award is presented to a deserving individual for a lifetime of work moving society toward a more sustainable energy future. The award’s namesake, Eric Epstein, is well known in Pennsylvania for a lifetime of work as a government reform activist, a nuclear watchdog, and a sustainable energy advocate. Mr. Krajsa is a recognized innovator in energy efficiency finance for over two decades. Peter spearheaded the creation of a number of major national energy finance programs.

SEF staff participated in and hosted various events around Pennsylvania throughout the year including presentations, conferences, Net Zero building tours, and webinars.

EVENTS HELD IN:

- HARRISBURG
- LANCASTER
- PITTSBURGH
- JOHNSTOWN
- ERIE
- ALLENTOWN
- READING
- ALTOONA



TOTAL ATTENDEES: **540**

TOTAL EDUCATIONAL HOURS: **1,021**



PA C-PACE REPORT



The C-PACE program continued to grow in Pennsylvania in 2023, with five new counties adopting a C-PACE program. Franklin, Somerset, Clinton, Northumberland, and Lancaster counties have opted-in, bringing the total active C-PACE counties to twenty-seven.

SEF saw fluctuations to the C-PACE pipeline in 2023 due to market conditions. Economic shifts and changes in the interest rate affected the attractiveness of C-PACE financing. Senior lenders were cautious about participating.

Two projects closed in 2023, one in Allegheny County and the other in Montgomery County, Centre City Tower and Four Falls Corporate Center. The projects were office building retrofits

for \$5 million and \$13.5 million financed, respectively. The combined building measures included HVAC, lighting, electrical systems, water fixtures, building envelope, and elevator systems. These two projects combined are expected to save 1,433 Mwh, 1,003 Mcf of natural gas, over 1 million gallons of water, and 1,050 metric tons of carbon dioxide equivalent greenhouse gases annually.

SEF collaborates with Abacus Property Solutions to oversee the Maryland CPACE program. SEF diligently reviews applications for completeness and sends pre-approvals to Abacus Property Solutions when the projects are ready to close. In 2023 Maryland saw five projects close, resulting in \$35,786,949 in energy upgrades.

COUNTIES WITH RESOLUTIONS PASSED

ALLEGHENY COUNTY

BEDFORD COUNTY

BERKS COUNTY

BUCKS COUNTY

CAMBRIA COUNTY

CENTRE COUNTY

CHESTER COUNTY

CLINTON COUNTY

DAUPHIN COUNTY

DELAWARE COUNTY

ERIE COUNTY

FRANKLIN COUNTY

LANCASTER COUNTY

LAWRENCE COUNTY

LEBANON COUNTY

LEHIGH COUNTY

LUZERNE COUNTY

MONTGOMERY COUNTY

NORTHAMPTON COUNTY

NORTHUMBERLAND COUNTY

PHILADELPHIA COUNTY

SOMERSET COUNTY

UNION 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 with the financing of projects worth over \$162 million combined. Sustainable Energy Fund has made more than \$72 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

In 2023, SEF had committed over \$2,109,233 and disbursed over \$2,234,899 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.

The SEF signed a participation agreement with the National Energy Improvement Fund to offer residential customers low-interest, long-term financing options for residential solar photovoltaic systems.



DISPERSEMENTS AND COMMITMENTS

A young boy with a backpack is holding a small yellow flower high in the air. He is standing in front of several wind turbines. The entire image has a light green tint.

FINANCIAL COMMITMENTS: **\$2,109,233.50**

FINANCIAL DISBURSEMENTS: **\$2,234,899.00**

FINANCIAL REPORT

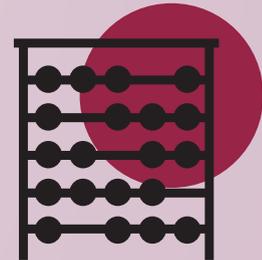
LIABILITIES	2023
Accounts Payable	\$32,544
Accrued Expense and Deferred Revenue	\$13,471
Accrued Salary and Benefits	\$100,395
Deferred ESA income	\$194,584
TOTAL LIABILITIES	\$340,994

ASSETS	2023
Cash and Cash Equivalents	\$652,031
Accounts Receivable	\$6,460
Investments	\$8,262,524
Program Related Loans Receivable, Net	\$4,267,905
Investment in National Energy Improvement Fund, LLC	\$72,390
Equipment, Net	\$6,539,293
Prepaid Expense and Deposits	\$36,909
TOTAL ASSETS	\$19,837,512

NET ASSETS	2023
Unrestricted Net Assets	\$19,496,518
TOTAL LIABILITIES & NET ASSETS	\$19,837,512

\$19.8 MM

Total Liabilities and
Net Assets



BOARD MEMBERS

Larry Eighmy
Chairperson



Brandi Snyder
Vice Chairperson



Evan Pappas
Secretary/Treasurer



Kyle Burak
Member



Lynn Rothman
Member



Rudy Shankar
Member



Kurt Zwerko
Member

STAFF MEMBERS



John Costlow
President & CEO



Kelly Sanders
Vice President of Programs



Scott DeStefon
Vice President of Financial
Programs



Brent Beck
Technical Specialist



Brian Hillard
Government Relations



Elaine Evosevic-Lozada
Relationship Manager
Western PA



Sally Kratz
Accountant



Phillip Schoch
Marketing Coordinator



Sustainable Energy Fund

Live it today for tomorrow.

4250 Independence Drive, Suite 100, Schnecksville, PA 18078

610.264.4440 thesef@thesef.org www.thesef.org

2024

2024

Annual Report



Sustainable
Energy Fund
Live it today for tomorrow.

CONTENTS

Essence	3
Letter to Stakeholders	4
Education Report	6
C-PACE Report	8
Finance Report	10
Committed Projects	11
Financial Report	12
Board and Staff	14



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,

Twenty-twenty-four was a year of evaluation and reflection after 25 years of providing Sustainable Energy programs to the citizens of Pennsylvania. SEF has provided more than \$74 million in financing. This included residential funding, commercial funding, and sector development equity investments. Through Energypath SEF has provided more than \$661 million in attendance scholarships and grants for fifteen solar photovoltaic systems at Pennsylvania higher education institutions for use in training the next generation. When the legislature and the Governor approved Commercial Property Assessed Clean Energy Financing (C-PACE), SEF developed the program and sought implementation throughout Pennsylvania. Today, more than 29 counties outside of Philadelphia have

adopted the program. At the Public Utility Commission, SEF has advocated for energy conservation, energy efficiency, and renewable energy by intervening in various utility petitions and developing program models like On-Bill financing.

This reflection and evaluation concluded that the Sustainable Energy Fund should continue to deliver ever more significant support to Pennsylvania citizens seeking a regenerative energy future. To provide these resources, the organization will require additional funding. SEF intends to pursue this funding through donations, grants, and sponsorships of its programs, such as the Nonprofit Energy Makeover and Sustainable Energy Science Fair. Twenty-twenty-five will be a year of transition as the organization launches an artificial

John Costlow
PRESIDENT & CEO

“SEF HAS PROVIDED MORE THAN \$74 MILLION
IN FINANCING. THIS INCLUDED RESIDENTIAL,
COMMERCIAL FUNDING, AND SECTOR
DEVELOPMENT EQUITY INVESTMENTS.”



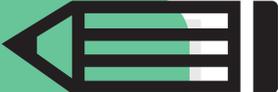
EDUCATION REPORT

Sustainable Energy Fund understands the important powerful role education can play in furthering our mission of building society towards a regenerative energy future. The year began with the 108th Pennsylvania Farm Show. Staff participated as an exhibitor and had the chance to educate visitors over eight days on various forms of sustainable energy.

The Energy Service Provider (ESP) is a network of companies and contractors working in renewable/energy efficiency. The goal of this collaboration is for our partners to help us achieve the mission of advancing regenerative energy throughout the state of Pennsylvania and to keep their projects moving forward. The 2024 Energy Service Provider Experience brought together this group of contractors for a weekend of educational seminars and networking opportunities to help their businesses. The weekend highlights included sessions that deeply dive into how ESG will impact businesses and the keynote dinner presentation, "Agrivoltaics: Combining Solar and Agriculture," which explored the synergy of land, sheep farming, and solar PV.

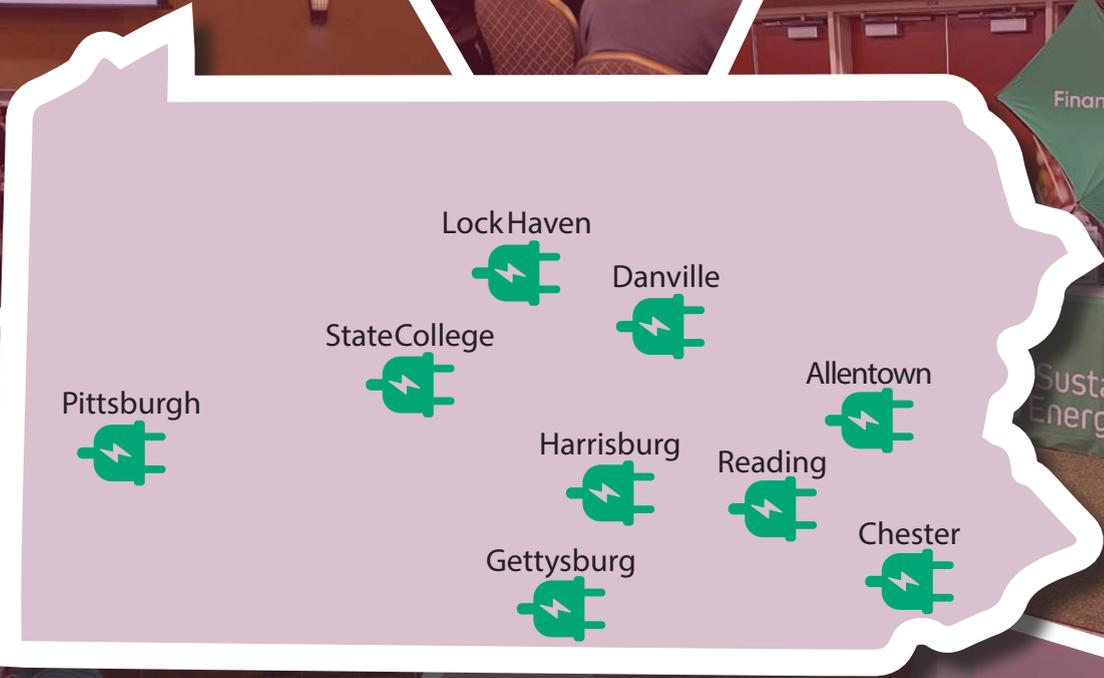
This year's Epstein Lifetime Achievement Award was awarded to Matt Steiman. Each year, the Epstein Award is presented to a deserving individual for a lifetime of work moving society toward a more sustainable energy future. The award's namesake, Eric Epstein, is well known in Pennsylvania for a lifetime of work as a government reform activist, a nuclear watchdog, and a sustainable energy advocate. Mr. Steiman is the Energy Projects Director for the Dickinson College Farm near Carlisle, Pennsylvania.

SEF staff participated in and hosted various events around Pennsylvania throughout the year, such as a hands-on workshop on biodigesters. Partnering with the Central PA Association of Energy Engineers, SEF hosted a Carbon Auditing Certification class.



320 attendees
1,088 total
education hours

EVENTS HELD IN:



PA C-PACE

PROPERTY ASSESSED CLEAN ENERGY

REPORT



The C-PACE program continued to grow in Pennsylvania in 2024, with two new counties adopting it. Cumberland and Lackawanna counties have opted in, bringing the total number of active C-PACE counties to twenty-nine.

In 2024, C-PACE application volume remained slow during the first half of the year. However, the fourth quarter saw a notable uptick in pre-application activity, indicating renewed interest and momentum in the program.

One C-PACE project closed in 2024, located in Northampton County, 140 Cedarville. The project was a new

construction self-storage facility with \$3 million in C-PACE financing. The 118,000-square-foot, 3-story storage facility has 971 climate-controlled units. The energy and water conservation measures include building envelope, lighting, HVAC systems, and low-flow plumbing fixtures. The as-designed energy measures were reported to reduce electricity consumption by 253,311 kWh, reportedly saving \$40,381 annually, or 33%, compared to the code minimum for the building. The project is also estimated to save 614 gallons of water annually.

PA C-PACE COUNTIES WITH RESOLUTIONS PASSED

Allegheny County

Bedford County

Berks County

Bucks County

Cambria County

Centre County

Chester County

Clinton County

Cumberland County

Dauphin County

Delaware County

Erie County

Franklin County

Lancaster County

Lackawanna County

Lawrence County

Lebanon County

Lehigh County

Luzerne County

Montgomery County

Northampton County

Northumberland County

Philadelphia County

Somerset County

Union 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 with the financing of projects worth over \$164 million combined. Sustainable Energy Fund has made more than \$74 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

In 2024, SEF committed over \$2,222,655 and dispersed over \$333,605 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.



COMMITTED PROJECTS

DISBURSEMENTS AND COMMITMENTS

FINANCIAL COMMITMENTS: \$2,222,655.00

FINANCIAL DISBURSEMENTS: \$333,605.00

Live it today for tomorrow.

FINANCIAL REPORT

LIABILITIES	2024
Accounts Payable	\$57,554
Accrued Expense and Deferred Revenue	\$6,712
Accrued Salary and Benefits	\$4,781
Deferred ESA income	\$168,751
TOTAL LIABILITIES	\$237,798

ASSETS	2024
Cash and Cash Equivalents	\$1,874,188
Accounts Receivable	\$40,113
Investments	\$8,671,047
Program Related Loans Receivable, Net	\$3,586,235
Investment in National Energy Improvement Fund, LLC	-
Equipment, Net	\$6,262,107
Prepaid Expense and Deposits	\$55,914
TOTAL ASSETS	\$20,489,604



NET ASSETS	2024
Unrestricted Net Assets	\$19,681,049
TOTAL LIABILITIES & NET ASSETS	\$19,918,847



BOARD MEMBERS

Larry Eighmy
Chairperson



Brandi Snyder
Vice Chairperson



Evan Pappas
Secretary/Treasurer



Kyle Burak
Member



Lynn Rothman
Member



Rudy Shankar
Member



Kurt Zwerko
Member

STAFF MEMBERS



John Costlow
President & CEO



Kelly Sanders
Vice President Outreach &
Education



Scott DeStefon
Vice President of Financial
Programs



Brent Beck
Manager, Technical Services



Stacy Fox
Office Manager \ Bookkeeper



Elaine Evosevic-Lozada
Leader, C-PACE
Program



Samantha Baughman
Administrator



Phillip Schoch
Marketing Coordinator



Sustainable Energy Fund

Live it today for tomorrow.

4250 Independence Drive, Suite 100, Schnecksville, PA 18078

610.264.4440 thesef@thesef.org www.thesef.org