



REINVESTMENT  
FUND

# **The 2025 Annual Report of the Sustainable Development Fund**

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# The 2025 Annual Report of the Sustainable Development Fund

## I. INTRODUCTION

This 2025 Annual Report was prepared by Reinvestment Fund, the manager of the Sustainable Development Fund (“SDF”), to summarize for the Pennsylvania Public Utility Commission SDF’s activities during the calendar year.

## II. HIGHLIGHTS AND ACCOMPLISHMENTS

Since its inception, SDF has deployed a total of \$68,192,281 towards its mission of supporting renewable energy, energy efficiency and other advanced clean energy technologies as shown on the following table:

| Type of Support    | Number of Closed Transactions | Total Amount        |
|--------------------|-------------------------------|---------------------|
| Debt financing     | 57                            | \$42,884,333        |
| Equity investments | 6                             | \$3,788,770         |
| Grants             | 381                           | \$21,519,178        |
| <b>Totals</b>      | <b>444</b>                    | <b>\$68,192,281</b> |

The total funding SDF received from PECO was \$31,815,216, meaning that the PECO dollars have been fully deployed and are revolving again, as was the original intent.

## III. SDF’s FINANCIAL APPROVALS IN 2025

### A. SDF’s Energy Loans and Investments

In calendar 2025, Reinvestment Fund closed on three loans using SDF capital.

| Borrower  | Amount of SDF Financing | Loan Closing Date | Comments   |
|---|-------------------------|-------------------|--|
| Exact Catalyst Energy LLC   | \$500,000               | 12/22/2025        | The \$500,000 SDF note is part of a \$2.6 million non-revolving equipment financing package to Exact Catalyst Energy LLC, a special purpose entity (SPE) of Exact Energy Partners LLC. It will finance the purchase of solar Investment Tax Credit ("ITC")-eligible equipment needed to Safe Harbor a pipeline of small solar PV installations for nonprofits, schools, municipalities, and small businesses in Pennsylvania and New Jersey, (each a "Project") locking in current ITC value ahead of tax-credit changes. The Loan was fully drawn at closing and will be repaid from construction and permanent take-out financing as projects are built and placed in service.   |
| Pennsylvania Bright Solar Communities, LLC<br><i>(Solar Equipment "Safe Harbor" Loan)</i> | \$1,000,000             | 12/23/2025        | The \$1,500,000 SDF loan (two separate SDF notes of \$1,000,000 and \$500,000) is part of a \$3.0 million non-revolving equipment financing package to Pennsylvania Bright Solar Communities, a special-purpose affiliate of Capital Good Fund's America BRIGHT Solar platform. The \$500,000 note will be participated out to another lender, similarly focused on Southeastern Pennsylvania. The loan supported the upfront purchase of solar equipment needed to "safe harbor" a multi-year pipeline of small solar installations—meaning the borrower can secure eligibility for the federal solar tax credit by purchasing and setting aside equipment in advance, before it is installed. The facility was fully funded at closing and is designed to be repaid as projects move into construction. SDF dollars are allocated to the Pennsylvania-eligible portion of the pipeline, consistent with SDF's geographic requirements. |
|   | \$500,000               | 12/23/2025        |  |

|  |                    |            |   |
|--|--------------------|------------|---|
| Pennsylvania Bright Solar Communities, LLC<br><i>(Installation-to-Permanent Credit Facility)</i> | \$1,088,352        | 12/23/2025 | The \$1,088,352 of SDF capital (\$81,752 in Solar ACP and \$1,006,600 in Tier I ACP) is part of a \$13.1 million Installation-to-Perm facility to the same Capital Good Fund / Pennsylvania Bright Solar Communities borrower. This facility finances the costs to install and complete individual solar projects (packaged in project bundles), providing flexible capital during construction and then transitioning into longer-term financing once systems are operating. Repayment is supported by operating project revenues and future planned permanent refinancing, as installations are completed and stabilized. As with the Safe Harbor tranche, SDF funding is directed to PECO service territory-eligible projects. |
| <b>TOTALS:</b>   | <b>\$3,088,352</b> |            |   |

## B. SDF's Energy Grants

Following the fulfillment of all prior grant obligations by year-end 2024, SDF issued no new grant authorizations during the 2025 reporting cycle. This strategic pause allowed the SDF to focus on the development and board approval of its 2026 annual plan, which introduces the **Access & Readiness Capital Program**. This new initiative—which incorporates both **Access Grants** and **0% Interest Catalyst Loans** for predevelopment costs—is specifically designed to address early-stage readiness and capital-access barriers for smaller organizations.

## IV. 2025 FINANCIAL DISBURSEMENTS AND REPAYMENTS

### A. SDF's Energy Loans

The SDF loan portfolio remains active with a total of eight outstanding loans, including three newly originated in 2025. Disbursements were made on three of the four SDF energy loans closed in 2025.

| <b>Borrower</b>  | <b>Amount Disbursed</b> | <b>Loan Closing Date</b> |
|--|-------------------------|--------------------------|
| North 40 <sup>th</sup> Street LP   | \$3,199,797             | 9/10/2024                |
| Called to Serve CDC Inc  | \$46,354                | 12/10/2024               |
| Exact Catalyst Energy LLC  | \$455,000               | 12/22/2025               |
| Pennsylvania Bright Solar Communities LLC<br><i>(Solar Equipment "Safe Harbor" Loan)</i> | \$476,136               | 12/23/2025               |
| Pennsylvania Bright Solar Communities LLC  | \$972,727               | 12/23/2025               |

|  |                    |            |
|--|--------------------|------------|
| <i>(Solar Equipment "Safe Harbor" Loan)</i>  |                    |            |
| Pennsylvania Bright Solar Communities, LLC<br><i>(Installation-to-Permanent Credit Facility)</i> | \$0                | 12/23/2025 |
| <b>Total:</b>  | <b>\$5,150,014</b> |            |

In September 2025, SDF recorded a full loan repayment of \$116,481 from the Green Line Workspace LLC. The note matured on September 1 and needed an extension which RF granted. As part of that modification, RF substituted core capital to replace SDF.

The table below provides an overview of the current outstanding loans, including loan recipients, amounts, and repayment status.

| <b>Borrower</b>  | <b>Closing Date</b> | <b>Maturity Date</b> | <b>Committed Amount</b> | <b>Outstanding</b>  | <b>Repayment Status</b>        |
|--|---------------------|----------------------|-------------------------|---------------------|--------------------------------|
| SolarSense LLC   | 5/14/2020           | 6/1/2030             | \$427,716               | \$427,716           | Current                        |
| The Weavers Way Cooperative Association  | 5/25/2023           | 5/25/2030            | \$1,339,324             | \$1,339,324         | Current                        |
| North 40 <sup>th</sup> Street LP   | 9/10/2024           | 9/1/2026             | \$3,250,000             | \$3,199,797         | Current                        |
| Chocolate Factory Leverage Lender LLC  | 11/14/2024          | 11/14/2031           | \$5,000,000             | \$5,000,000         | Current                        |
| Called to Serve CDC LLC  | 12/10/2024          | 12/1/2016            | \$1,200,000             | \$1,158,624         | Current                        |
| Exact Catalyst Energy LLC  | 12/22/2025          | 12/22/2028           | \$500,000               | \$455,000           | Current                        |
| Pennsylvania Bright Solar Communities LLC <i>(Solar Equipment "Safe Harbor" Loan)</i>        | 12/23/2025          | 12/23/2028           | \$1,000,000             | \$972,727           | Current                        |
|  | 12/23/2025          | 12/23/2028           | \$500,000               | \$476,136           | Current                        |
| Pennsylvania Bright Solar Communities LLC <i>(Installation-to-Permanent Credit Facility)</i> | 12/23/2025          | 12/23/2028           | \$1,088,352             | \$0                 | Approved but not yet disbursed |
| <b>Total:</b>  |                     |                      | <b>\$14,305,392</b>     | <b>\$13,029,325</b> |                                |

## **B. SDF's Energy Grants**

SDF successfully concluded its prior grant cycle by the end of 2024 and, in 2025, prioritized the design of its upcoming Access & Readiness Capital Program rather than issuing new grants.

## **C. SDF's Use of Alternative Compliance Payments (ACP)**

During the 2025 reporting period, the SDF maintained the following standards:

- **Project Alignment:** All selected projects were chosen to increase electric energy generated from alternative energy resources.
- **Tier Restrictions:** Solar ACPs were used exclusively for solar projects, and Tier 1 payments, which includes but is not limited to solar, were restricted to eligible Tier 1 solar projects. While Tier 2 funds were not expended this year, they remain eligible for Tier 2 projects in 2026.
- **Spending Timeline:** All funds utilized were committed and spent within the required two-year window.

| ACP Category           | Balance as of Jan 1, 2025 | ACP Received in 2025 | Total Funds Disbursed or Committed in 2025 | Unallocated Balance as of Dec 31, 2025 |
|------------------------|---------------------------|----------------------|--|--|
| Solar ACP              | \$81,752                  | \$0                  | \$81,752                                   | \$0                                    |
| Tier I ACP             | \$1,006,600               | \$0                  | \$1,006,600                                | \$0                                    |
| Tier II ACP            | \$957,392                 | \$0                  | \$0  | \$957,392                              |
| <b>Total ACP Funds</b> | <b>\$2,045,744</b>        | <b>\$0</b>           | <b>\$1,088,352</b>                         | <b>\$957,392</b>                       |

Specific projects funded by ACPs during this reporting period:

| Project Name   | Technology Tier (Solar/Tier 1/Tier 2) | Amount Committed   |
|--|---------------------------------------|--------------------|
| Pennsylvania Bright Solar Communities LLC<br>(Installation-to-Permanent Credit Facility) | Tier 1                                | \$1,006,600        |
|  | Solar                                 | \$81,752           |
| <b>Totals</b>  |                                       | <b>\$1,088,352</b> |

## V. PECO-UNICOM MERGER PROGRAMS

As of December 31, 2015, SDF had disbursed all of the funding received from the PECO-Unicom merger for wind (\$12,000,000), solar (\$4,000,000) and public education (\$2,500,000). These three "Temporarily Restricted" accounts are now closed and all SDF funds now appear as "Unrestricted but Contractually Limited as to Use." Please see the SDF annual reports from 2015 and earlier years for information about this \$18.5 million of funding and support for renewable energy.

## VI. FINANCIAL REPORT

SDF has received a total of \$31,815,216 from PECO Energy. This figure consisted of eight quarterly payments in 1999 and 2000 from distribution charges that total \$3,335,216 and the lump sum

accelerated payment of PECO quarterly payments through December 31, 2006, totaling \$9,980,000. SDF had also received, pursuant to the terms of the PECO Energy/Unicom merger agreement, three installments of \$4,000,000 for the Pennsylvania Wind Development Program (total of \$12,000,000); five annual installments of \$500,000 for public education about renewable energy (total of \$2,500,000); and four annual installments of \$1,000,000 for SDF's solar photovoltaic program (total of \$4,000,000). In March 2023, the Pennsylvania Public Utility Commission approved a settlement agreement that resulted in the transfer of \$6 million to SDF.<sup>1</sup>

SDF's financial statements for the twelve-month period ending December 31, 2025, show total financial income of \$792,992 and net financial income of \$407,618.

Operating expenses for 2025 totaled \$100,780, consisting of Reinvestment Fund's management fee for managing the SDF<sup>2</sup>.

On December 31, 2025, SDF held \$8,022,540 of funds in SDF's cash account available for lending. Outstanding receivables (loans net of allowance for losses) as of December 31, 2025, totaled \$12,522,998 of which \$4,311,251 were current assets and \$8,211,747 are non-current assets. Total assets on December 31, 2025 were \$20,580,375. SDF's liabilities on December 31, 2025, totaled \$129,029. As of December 31, 2025, SDF's total net assets were \$20,451,346.

On December 31, 2025, included in cash available for lending, SDF held \$957,392 in uncommitted Alternative Compliance Payments (ACPs). This total is comprised of \$0 in Solar ACP, \$0 in Tier I ACP, and \$957,392 in Tier II ACP.

The audited financial statements will be available upon request by contacting Austin Vasko, Senior Portfolio Manager, Reinvestment Fund, 1700 Market Street, 19th Floor, Philadelphia, PA 19103 by email at [austin.vasko@reinvestment.com](mailto:austin.vasko@reinvestment.com) or by telephone at 215.574.5863.

## **VII. SDF BOARD ORGANIZATIONAL MATTERS**

SDF board of directors at year end consisted of the following members:

- Michael Freeman (Emerald Energy Consulting)
- Matthew Madia (Bridgeway Capital)
- Sonny Popowsky (retired PA Consumer Advocate)
- Jacqueline Golden (PECO)
- Sidharth Singh (Strategic Finance Group)

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<sup>1</sup> [Settlement Agreement in the Pennsylvania Commonwealth Court matter of Pennsylvania Public Utility Commission v. the Delaware Valley Regional Economic Development Fund, No. 491 MD 2018](#)

<sup>2</sup> The SDF board approved Reinvestment Fund annually taking a management fee equal to 0.5% of the SDF funds under management. This fee is in lieu of personnel, space, and other internal expenses. Third-party expenses (such as bank fees and the audit) are likewise recoverable.

- Sherif Youssef (Philadelphia Gas Works)
- Akil Marsh (Clearway Energy)

At the December 2025 meeting, the board reviewed and voted to approve the 2026 budget and annual program plan, which introduces the SDF Access & Readiness Capital Program to support smaller organizations with annual expenses generally under \$1.5 million. This program focuses on overcoming early-stage barriers for electricity-focused projects through 0% Interest Catalyst Loans (\$50,000–\$150,000) and Access Grants (\$5,000–\$75,000) for technical planning or small-scale implementation.

**The 2025 Annual Report  
of the  
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Addendum**

**I. 2025 ADMINISTRATOR'S EXPENSES FOR SDF**

|                            |                  |
|----------------------------|------------------|
| Fund Management Fee (0.5%) | \$100,780        |
| Bank Fees                  | \$0              |
| <b>Total:</b>              | <b>\$100,780</b> |

**II. SDF LOANS, EQUITY INVESTMENTS AND GRANTS APPROVED IN 2025**

| Type of Support    | Number of Closed Transactions | Total Amount       |
|--------------------|-------------------------------|--------------------|
| Loans              | 4                             | \$3,088,352        |
| Equity investments | 0                             | 0                  |
| Grants             | 0                             | 0                  |
| <b>Totals</b>      | <b>4</b>                      | <b>\$3,088,352</b> |

**III. SDF LOANS, EQUITY INVESTMENTS AND GRANTS CLOSED/EXECUTED IN 2025**

| Type of Support    | Number of Closed Transactions | Total Amount       |
|--------------------|-------------------------------|--------------------|
| Loans              | 4                             | \$3,088,352        |
| Equity investments | 0                             | 0                  |
| Grants             | 0                             | 0                  |
| <b>Totals</b>      | <b>4</b>                      | <b>\$3,088,352</b> |

**IV. SDF LOANS, EQUITY INVESTMENTS AND GRANTS DISBURSED IN 2025**

| Type of Support    | Number of Disbursements | Total Amount       |
|--------------------|-------------------------|--------------------|
| Loans              | 3                       | \$2,000,000        |
| Equity investments | 0                       | 0                  |
| Grants             | 0                       | 0                  |
| <b>Totals</b>      | <b>3</b>                | <b>\$2,000,000</b> |

**V. YEAR-END FUND BALANCE (NET ASSETS)**

|                      |
|----------------------|
| <b>\$ 20,451,346</b> |
|----------------------|