The 2011 Annual Report of the
West Penn Power Sustainable Energy Fund

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INTRODUCTION AND HIGHLIGHTS

In 2011, the West Penn Power Sustainable Energy Fund (WPPSEF) entered its tenth year of providing funding to:

- Promote the use of renewable and clean energy;
- Promote energy conservation and energy efficiency; and
- Promote the start-up, attraction, expansion, and retention of sustainable energy businesses.

The WPPSEF activities continued to increase from previous years as its programs and initiatives became more visible within the West Penn Power (WPP) service region and across the Commonwealth. During 2011, the WPPSEF Board approved $644,500 to co-fund 11 funding requests. Key accomplishments in 2011 include:

**Investing in clean energy.** The WPPSEF committed to $25,000 to support the installation of small-scale wind turbines (~2.4 kW) at various school districts across the West Penn Power service region. A total of five installations are planned. WPPSEF is working with The Pennsylvania State University, which is administering the PA Wind for Schools Program for the U.S. Department of Energy. All monies will be provided directly to the selected school districts.

The WPPSEF is working to support the expanded use of sustainable biomass feedstocks for clean heat and combined heat & power applications. WPPSEF has committed $60,000 to work with the U.S. Forest Service Wood Education and Resource Center (WERC) to perform up to three feasibility studies for potential biomass heat or combined heat and power systems. WERC has been a leader in Pennsylvania in offering this technical assistance program and WPPSEF seeks to support their efforts.

**Investing in energy efficiency.** The WPPSEF continues to support the Keystone Home Energy Loan Program (Keystone HELP) by providing a $250,000 loan to support AFC First Financial infrastructure to process and place Keystone HELP loans across Pennsylvania. WPPSEF seeks to continue to expand its energy efficiency programs. In 2011, the WPPSEF built upon its residential energy efficiency efforts by committing $224,000 to support SEDA-COG, Kiski School, and Excela Health to conduct large municipal and institutional-scale energy assessments/audits.
**Investing in education and public outreach.** In 2011, WPPSEF committed $85,500 to support five education and public outreach events. The largest of these, represent a $55,000 sponsorship to organize and host the Mid-Atlantic Region Home Performance Energy Efficiency conference in 2012 and 2013. WPPSEF is working with ACI to transform its PA Home Energy conference (which was held in 2009, 2010, and 2011) into a larger, more sustainable regional event. The 2012 Mid Atlantic Conference will be held on October 1-2 in Pittsburgh, PA.

**FINANCIAL APPROVALS**

The WPPSEF financial approvals in 2011 are summarized below:

**Loans**

<table>
<thead>
<tr>
<th>Business</th>
<th>Amount</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFC First Financial</td>
<td>$250,000</td>
<td>Bridge Financing for AFC First Financial Keystone HELP Treasury Loan Program.</td>
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*Total (Loans) $250,000*

**Grants**

<table>
<thead>
<tr>
<th>Business</th>
<th>Amount</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA Wind for Schools</td>
<td>$25,000</td>
<td>Installation of small-scale wind at PA schools as part of DOE PA Wind For Schools Program.</td>
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<tr>
<td>SEDA-COG</td>
<td>$105,000</td>
<td>Municipal-scale energy assessment program for municipalities in West Penn Power service region.</td>
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<tr>
<td>Kiski School</td>
<td>$52,000</td>
<td>Campus wide ASHRAE Level II energy audits coupled with support of Kiski School sustainability project.</td>
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<tr>
<td>Exela Health</td>
<td>$67,000</td>
<td>Co-funding for ASHRAE Level II energy audits at Westmoreland, Latrobe, and Frick health care facilities.</td>
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<tr>
<td>State College Area School District</td>
<td>$12,500</td>
<td>Design and build a smart home mobile lab for renewable energy and energy efficiency outreach.</td>
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<tr>
<td>Borough of Ohiopyle</td>
<td>$7,500</td>
<td>Funding for an Ohiopyle Sustainable Energy Fair (10/8/11) and Energy Charrette (10/18/11).</td>
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<tr>
<td>ACI – Mid Atlantic Region Conference</td>
<td>$55,000</td>
<td>Organization and hosting of 2012 and 2013 ACI Mid-Atlantic Home Performance Conferences.</td>
</tr>
<tr>
<td>US Forest Service Wood Education and Resource Center</td>
<td>$60,000</td>
<td>Co-funding for biomass thermal and power energy assessments in the West Penn Power service region.</td>
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<tr>
<td>Wilson College</td>
<td>$5,000</td>
<td>Co-funding for fourth annual Energy and You 2012 Workshop.</td>
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<tr>
<td>Pennsylvania Energy Council</td>
<td>$5,500</td>
<td>Co-funding for Point Marion, Greensboro, Rices Landing, Brownsville, Fredericktown, and California community energy events.</td>
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*Total (Grants) $394,500*
WPPSEF ADMINISTRATION

The WPPSEF administration consists of a seven-member board of directors that provides oversight to the Fund and an administrative staff that oversees the day-to-day operations. Individual board members are selected by the Fund through a search and external nomination process. The WPPSEF Board reviews all applicants and then submits their recommendation to the Pennsylvania Public Utility Commission for final approval. All of the board members serve on a volunteer basis.

The WPPSEF Board of Directors as of December 31, 2011, was:

- John Walliser, President
  - Pennsylvania Environmental Council
- Gwen Auman, Vice President
  - Auman Weis Enterprises
- Jim Stark, Secretary
  - Fayette County Community Action Agency
- Pat O’Brien, Treasurer
  - First Federal Bank of Monessen
- Rob Hosken,
  - Building Performance Architecture
- Michele Ponchione
  - World Kitchen
- Ed Miller
  - West Penn Power

The WPPSEF Board of Directors selected The Pennsylvania State University Energy Institute to serve as the Fund’s administrator and the Economic Growth Connection of Westmoreland to provide financial services to the Fund. In addition, the Fund utilizes the services of external consulting firms on an as-needed basis.

The WPPSEF staff as of December 31, 2011, was:

- Joel Morrison and Barbara Robuck
  - The Pennsylvania State University (The EMS Energy Institute)
- John Skiavo, James Smith, Donna Bates, and Carolyn Berkey
  - Economic Growth Connection of Westmoreland
WPPSEF BOARD MEETINGS

The WPPSEF schedules its board meetings at the beginning of each calendar year. Full board meetings are scheduled for every two months. In addition, the WPPSEF Board has developed three ad-hoc three working groups (administrative, investment, and grantmaking) that meet on an as-needed basis.

In 2011, the WPPSEF Board of Directors met on:
- February 16 (Greensburg, PA)
- April 21 (Latrobe, PA)
- June 9 (Canonsburg, PA)
- August 11 (Greensburg, PA)
- October 13-14 (Bedford, PA)
- December 8 (Charleroi, PA)

WPPSEF WEB SITE

The WPPSEF web site is updated throughout the calendar year as new projects are funded and programs developed. The WPPSEF Web site is at http://www.wppsef.org.

PLANNED 2012 ACTIVITIES

The WPPSEF will be developing and releasing a request-for-proposal (RFP) for sustainable energy financing in early 2012. The WPPSEF RFP will solicit projects from the following areas:
- Biomass Thermal and Power technologies
- Energy Efficiency
- Sustainable Energy Manufacturing in Pennsylvania, and
- Community Energy Events.