

Pennsylvania  
Sustainable Energy Board

2011 Annual Report

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## **FOREWORD**

This Pennsylvania Sustainable Energy Board (PASEB) report provides a review of the activities of the regional sustainable energy funds (Regional Funds) during 2011. The Regional Funds are primarily public finance entities which make loans, investments, and grants for the benefit of ratepayers and the Commonwealth. Three of the four Regional Funds - the Metropolitan Edison/Pennsylvania Electric Company Sustainable Energy Fund (Met-Ed/Penelec SEF), the Sustainable Energy Fund (SEF), and the Sustainable Development Fund (SDF)- have ceased receiving ratepayer funding. The West Penn Power Sustainable Energy Fund (WPPSEF) was scheduled to receive its last payment January 2012. The challenge for these funds is to meet their fund mission and to remain financially sustainable or to plan an exit strategy.

Collectively, the Regional Funds loaned slightly over \$6.2 million and provided over \$775,000 in grants and strategic investments in 2011. Since their inception in 1999, the Regional Funds have led and continue to lead in the development of, and investment in, clean energy technologies including but not limited to wind, anaerobic digesters, fuel cells, and solar. In addition to clean energy technologies, the focus of the Regional Funds also includes energy efficiency and demand resources.

## **BACKGROUND**

The electric utility industry restructuring process in Pennsylvania brought together stakeholder groups representing residential consumers, large commercial and industrial customers, environmental parties and other interested participants. These groups contributed to the development of the restructuring settlements for Metropolitan Edison Company and Pennsylvania Electric Company (Met-Ed and Penelec)<sup>1</sup>, PECO Energy Company (PECO), PPL Electric Utilities Inc. (PPL) and West Penn Power Company (WPP). These settlements provided new opportunities for renewable and sustainable energy production services and enterprises.

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<sup>1</sup> While Met-Ed and Penelec represent different service territories and in fact, have separate boards of directors and administrators, for purposes of this report and in other matters, they are considered a single regional fund. For example, they share the same governing bylaws and they are entitled to only one seat on the PASEB.

Specifically, each of the four settlement agreements established a separate and independent sustainable energy fund to promote:

- The development and use of renewable energy and clean energy technologies,
- Energy conservation and energy efficiency,
- Renewable energy business support, and
- Projects which improve the environment in the companies' service territories, related to the transmission and distribution facilities (Met-Ed and Penelec only).

## **FUNDING**

Under terms of the settlements, approximately \$55 million was collected through these companies' distribution rates to promote the development of sustainable and renewable energy technologies. The SDF (in PECO Energy's territory) received an additional \$18.5 million in funding over a five-year period as a result of the PECO/Unicom merger. On June 14, 2001, the Commission approved the merger of GPU Energy and FirstEnergy. As a result of that merger settlement, the Met-Ed and Penelec funds received an additional \$5 million (\$2.5 million each) in funding.

## **REGIONAL BOARD ADMINISTRATION**

The settlements provided that a seven-member board, nominated by the parties to the agreements and approved by the Commission, would manage each fund. The board for each fund drafted bylaws that address the responsibilities and powers of the Board and the fund administrators. The bylaws require that directors represent a cross-section of interests: the financial community, consumers, environmental interests, business and industry, Electric Distribution Companies (EDCs) and Electric Generation Suppliers (EGSs). The bylaws also address project selection and the funds' investment strategies.

The Commission approved the initial individual bylaws for each Regional Fund on the following dates:

- SDF - December 2, 1999,
- Met-Ed/ Penelec SEF - January 27, 2000,
- SEF - June 2, 2000, and
- WPP SEF - June 2, 2000.

The Regional Fund Administrators include:

- Berks County Community Foundation (Met-Ed),
- Community Foundation of the Alleghenies (Penelec),
  - Met-Ed and Penelec follow the same funding approach and guidelines,
- The Reinvestment Fund - Sustainable Development Fund (PECO),

- The Sustainable Energy Fund (PPL), and
- The Energy Institute of Penn State University (West Penn Power).

The Regional Fund Administrators charge an annual fee for their services or calculate administrative expenses. These services and fees/expenses vary by Regional Fund and contract. An explanation of how the fees/expenses are calculated and a breakdown of the various fees/expenses are listed below:

#### Met-Ed/Penelec Sustainable Energy Fund

- The Met-Ed/Penelec Sustainable Energy Fund has operated through June 30, 2011 with a fee of 1.5% of total assets, assessed on a quarterly basis. This fee was established as being consistent with fee schedules of the Berks County Community Foundation and the Community Foundation for the Alleghenies, respectively. After a review of the Fund's activities and the capacity of other similar programs (at its May 24, 2011 meeting), the board recommended and approved adjusting the fee to 2.3% to provide increased capacity on the part of the Fund to provide additional support for staff for existing programmatic responsibilities; increased communication sophistication; and expansion of programmatic and communications activities. This was approved for the period beginning July 1, 2011 and is currently in place.
  - Berks County Community Foundation (Met-Ed)
    - Fees for 2011 were \$127,189.
  - Community Foundation of the Alleghenies (Penelec)
    - Fees for 2011 were \$163,131.

#### The Sustainable Development Fund (PECO)

- The administrative costs of the Sustainable Development Fund are set each year in the annual budget which is approved by the SDF board of directors. The administrative costs are a combination of staff time, direct expenses and indirect expenses (such as a pro-rata share of rent and other operating costs). The administrative budget request is discussed by TRF, the finance committee and the full SDF board and then approved by the SDF board.
  - Operating Expenses and Program Costs for 2011 were \$383,483.

#### The Sustainable Energy Fund (PPL)

- The Sustainable Energy Fund is an independent self-governing organization which does not pay an annual fee for management services. However, the SEF does calculate and report administrative costs which include management and general expenses. These are the expenses associated with the overall management of the organization excluding direct expenses associated with operating various programs.
  - Administrative Costs for 2011 were \$264,596

The West Penn Power Sustainable Energy Fund (WPPSEF)

- The West Penn Power Sustainable Energy Fund is a 501(c)3 non-profit organization headquartered in Greensburg, PA. WPPSEF is operated by a seven member Board of Directors and an external administrative support staff. The Penn State EMS Energy Institute (University Park, PA) and the Economic Growth Connection of Westmoreland (Greensburg, PA) provide administrative services to WPPSEF. At the conclusion of each calendar year, WPPSEF retains a certified public accounting firm to conduct an external audit of WPPSEF operations. In 2011, WPPSEF retained the services of Delisi & Associates, P.C. to conduct its audit. The independent auditor's report is provided to the PA PUC as part of WPPSEF's reporting process. In 2011, the WPPSEF's administrative expenses represented 1.35% of the WPPSEF net assets as of December 31, 2011.
  - Administrative Expenses for 2011 were \$295,015.

The Regional Funds' boards meet on a regular basis, with Commission staff attending as liaisons. The boards are required to submit annual reports to the Commission on the activities, expenditures and investments of the Regional Funds.

## **STATEWIDE ACTIVITIES**

By Commission Order dated July 1, 1999, the PASEB was created to "provide oversight, guidance and technical assistance to the regional boards." Statewide coordination of the Regional Funds was viewed as essential to establish Pennsylvania as a leader in renewable energy technologies. In its Order, the Commission noted that the success of the renewable power initiative required a partnership between the regions and the state. The Commission held that the PASEB should operate in conjunction with the Regional Funds in identifying opportunities, prioritizing objectives and developing an outreach plan to garner further support for the initiatives.

On August 7, 2003, the Commission adopted an Order further defining the role of the PASEB. The Commission directed the PASEB to hold annual meetings, establish bylaws and develop a "best practices" business model for each of the Regional Funds. The Order also modified the reporting obligations of the Regional Funds.

In addition to the Commission designee, the PASEB members include a board member of each of the four Regional Funds, as well as designees for the Department of Environmental Protection (DEP), Department of Community and Economic Development (DCED), Office of Consumer Advocate (OCA), and Pennsylvania Environmental Council.

The PASEB held its last annual meeting in Harrisburg on December 7, 2011. The purpose of the meeting was to address reporting requirements and how to best streamline administrative practices for the PASEB. Additionally, the PASEB discussed how to best utilize alternative compliance payments stemming from AEPS; specifically the PASEB discussed using these payments

for one jointly funded project by all of the Regional Funds. The next meeting of the PASEB will be held on Thursday, January 10, 2013.

In addition to the PASEB meeting, the Regional Funds met as a group in 2011 on May 27 in Grantville, PA. The meetings are an essential means of discussing projects of mutual interest and better coordinating future activities.

**APPROVALS OF REGIONAL FUNDS**

The following table summarizes the Regional Funds' approvals of loans and grants for 2011. As shown, the Regional Funds approved nearly \$7 million in support of renewable energy activities. Approximately \$6.2 million was distributed in the form of loans and approximately \$775,000 was provided in grants.

**2011 Approvals**

<b>FUND</b>	<b>LOANS</b>	<b>GRANTS</b>	<b>TOTAL</b>
Met-Ed/Penelec SEF	\$1,080,000	\$159,711	\$1,239,711
SDF (PECO)	377,482	0	377,482
SEF (PPL)	4,517,272	220,964	4,738,236
West Penn Power SEF	250,000	394,500	644,500
<b>TOTALS</b>	<b>\$6,224,754</b>	<b>\$775,175</b>	<b>\$6,999,929</b>

## END OF 2011 REGIONAL FUND BALANCES

The following table presents the Regional Fund balances as of the end of 2011. These balances were calculated based upon the Regional Funds' annual audits and the commitments that are tracked. Certain balances do not include long-term staffing expenses and leases. Finally, some of the balances do not include tentative grant commitments that have been made but have not been disbursed.

### 2011 Fund Balances

<b>Fund</b>	<b>Balance (12/31/2011)</b>
Met –Ed SEF	\$7,265,787
Penelec SEF	8,459,904
SDF (PECO)	10,639,870
SEF (PPL)	20,875,934
West Penn Power SEF	21,202,291

**METROPOLITAN EDISON COMPANY/PENNSYLVANIA ELECTRIC COMPANY**  
**SUSTAINABLE ENERGY FUND**  
**2011 UPDATE**

<http://www.bccf.org/pages/gr.energy.html>

**INTRODUCTION**

From January 1, 2011 to December 31, 2011, the Met-Ed/Penelec SEF approved financing totaling \$1,239,711.

The Met-Ed SEF's marketing/networking activities included the fund's website, through the Berks County Community Foundation's website ([www.bccf.org](http://www.bccf.org)).

The Penelec SEF's marketing/networking activities included the fund's website, through the Community Foundation for the Alleghenies website ([www.cfalleghenies.org](http://www.cfalleghenies.org)).

Met-Ed/Penelec SEF developed its own dedicated website that went live in January 2012.

The new website is an essential means of distributing information regarding the Met-Ed/Penelec SEF. The website contains information about financial products, program offerings, application request forms, background information, reports and links to related websites.

**HIGHLIGHTS AND ACCOMPLISHMENTS**

During the time period January 1, 2011 to December 31, 2011 Met-Ed/Penelec staff participated in numerous conferences and meetings, as speakers and active participants, to raise awareness of Met-Ed/Penelec SEF activities, including:

- Presentation to the interested for profit and non -profit businesses in York County
- Participation in PennFuture events
- Board Treasurer for United States Green Building Association – Central Pennsylvania Chapter.
- Pittsburgh Green Building Alliance/Laurel Highlands Affiliate Steering Committee; LEED workshops and tours and Smart Growth Alliance.
- Sustainable Pittsburgh Sustainable Business Network
- Programs and activities of Funders Network for Smart Growth
- Alternative energy meeting of the Southern Alleghenies Planning and Development Commission
- Participation in the development of alternative energy ordinances for municipalities
- Participation in the Laurel Highland Conservation Coalition
- Member of the regional advisory board of Ben Franklin Technology Partners

## FINANCIAL APPROVALS

### Grants

<b>Project</b>	<b>Amount</b>	<b>Comments</b>	<b>Date</b>
Disaster's Edge Environmental Center	\$24,000	Ground Heat Source Exchange Project	2/17/11
Shawnee Country Market	5,000	Electrical Improvements Recommended by eCAP	4/18/11
Erie School District	29,800	Development of the E2 Program (Energy & Education)	5/24/11
Rodale Institute	32,371	Installation of Solar Panels	7/15/11
PABIOMASS Energy Association	5,000	Development of a Statewide Biomass Association	7/15/11
PA Environmental Council	8,540	Small and low hydro state conference	11/1/11
Allegheny College	25,000	Daylighting in Carr Hall	9/30/11
Berks County Conservancy	5,000	Kill-A-Watt Meter Program	12/1/11
PA Environmental Council	25,000	Discharge Demand Study for AMD near Inclined Plane	12/1/11
<b>Total</b>	<b>\$159,711</b>		

### Loans

<b>Project</b>	<b>Amount</b>	<b>Comments</b>	<b>Date</b>
Epiphany	\$50,000	Using Solar Power to Generate Water Purification/Desalination Systems	4/18/11
Liberty LLC	500,000	Harvests Waste Heat From A bank Of Reciprocating Engines At A Natural Gas Compression Facility	4/18/11
Shawnee Country Market	37,000	Electrical Improvements Recommended by eCAP	4/18/11
Scottish Heights	493,000	Solar Energy Installation	5/24/11
<b>Total</b>	<b>\$1,080,000</b>		

Since inception, the Met-Ed/Penelec SEF has approved 104 grants totaling \$2,170,038; 30 loans totaling 19,818,724; and three equity investments totaling \$1,600,000. The fund denied 45 grant requests, 26 loan requests and 7 investment opportunities. Denials occurred because the proposed projects did not meet the Fund’s mission or had technological, financial and/or market difficulties.

**BOARD ACTIVITIES**

The Met-Ed/Penelec SEF Advisory Committee consists of eight members, whose two-year terms are staggered so the terms of approximately half of the members end each year. Current members can run for re-election.

The Advisory Committee Members for January 1, 2011 through December 31, 2011 were as follow:

John Ubinger Chair	Representing Environmental Groups	Term Expires 7/15/2013
Mary Beth Smialek	Representing First Energy	Term Expires 7/15/2013
Samuel Hepfer	Representing Weatherization Groups	Resigned September 2011
Derick James	Representing Commercial User Groups	Term Expires 7/15/2013
Edward Miller	Representing Commercial User Groups	Term Expires 7/15/2013
Brian Vayda	Representing Independent Power	Term Expires 4/1/2012
Timothy Burdis	Producer Groups	Term Expires 4/1/2012
Frank Plank	Representing Industrial User Groups	Term Expires 4/1/2012

**REVIEW OF TECHNOLOGIES AND SAMPLE OF MET-ED/PENELEC SEF IMPLEMENTED PROJECTS**

(L/I Loan or Equity Investment)

**Tier I**

- **Solar Photovoltaic**
  - Silicon cell panels – Hundredfold Farm and French Creek Ridge
  - Printed electronics – Plextronics
  - Solar installer training – Conservation Consultants
  - Solar Lighting – 2<sup>nd</sup> & Oley Playground
  - Solar Lighting – Welcome Sign to City of Reading
  - Solar cell panels – Lacey Electric
  - Solar cell panels – Rodale Institute
  - Solar Array – Scottish Heights
  - Solar cell panels - Epiphany
  - *Total \$147,029 Grants \$1,424,000 Loans/investments*
- **Solar Thermal**
  - Solar hot water system – Adams County
  - *Total \$291,877 (L)*
- **Wind**
  - Utility wind installations- Bear Creek/Forward/Lookout
  - Supply chain facility – Gamesa
  - Community wind – SFU Windmap/Renewable Energy Center/Anemometer Loan Program

- Winenergy Community Wind Conference
- Small Wind Systems – Shade Central City School District, Meadville School District, Southern Alleghenies Conservancy, Wayne County Conservation District, Evergreen Conservancy Tonoma AMD site and New Tech Wind
- *Total \$242,150 Grants \$4,000,000 (L/I)*
- **Low Impact Hydro**
  - Micro and low hydro
  - *Total \$8,540*
- **Biogas and Coal Mine Methane**
  - Pioneer Landfill gas to electricity G.A.S.
  - Johnstown Regional Energy
  - *Total \$1,500,000 (L/I)*
- **Biomass**
  - Farm Digester – Native Energy
  - Wood Waste – United Corrstack
  - Ethanol-Regional Economic Development Initiatives
  - PGH Zoo Somerset International Research Center
  - Biomass Boot Camp
  - First Nation Wood Pellets
  - Organization - PABIOMASS Energy Association -
  - *Total \$35,300 Grants \$522,000 (L/I)*
- **Demand Side Energy Conservation and Efficiency**
  - Pymatuning Lab
  - Somerset Conservation District
  - West Erie County Emergency Center
  - Gildono Center
  - Induction Furnaces- Birdsboro Alloying
  - Police Athletic League/Olivet’s Boys & Girls Club
  - Cambria County War Memorial Arena
  - Johnstown Area Heritage Association
  - Mission Critical Solutions
  - City of Reading Pagoda
  - Green Building Human Services Center
  - Allegheny College
  - Millcreek Township School District
  - Asbury Park Nature Center
  - Hanover Public School District
  - Concurrent Technologies Corporation
  - Twin Valley Elementary School
  - Southern York County Library
  - York County Commissioners
  - Albright College
  - Hyndman Area Health Center
  - Berks County Community Foundation LEED Platinum Headquarters
  - Green Building Alliance
  - Ground Source Heat Exchange – Allegheny Clarion Valley Development Corp.
  - BosWell Pharmacy Services

- Crawford County Development Authority
- Rouse Estate
- Radiant Heating System – City of Johnstown Historic Carpenter Shop
- Energy Management Systems – Crispus Attucks Association
- eCAP Network Energy Management
- Windber Research Institute
- Renewable Manufacture Gateway
- Greater Reading Commerce Center
- Heritage Discovery Center
- Johnstown Flood Museum
- Pittsburgh Gateways
- Energy Commonwealth Community Energy Project Revolving Loan Fund
- Shawnee Country Market
- Disaster’s Edge Environmental Center
- Liberty LLC
- *Total \$583,292 Grants \$2,918,450 Loans/Equity Investments*
- **Supply Side Efficiency**
  - Pennsylvania Environmental Council’s Inclined Plane Discharge Study
  - *Total \$25,000 Grants*
- **Ocean and Lake Energy**
  - None to Date
- **Non-Combustion Solid Waste**
  - None to Date
- **Tier 1 Fuel Cells**
  - Solid-Exide Shade Central City School District
  - Franklin Fuel Cells
  - *Total \$75,000 Grants \$500,000 Loans*

**Tier II Resources**

- **Electricity Generated From Eligible Waste Coal – New or Retrofitted Facilities**
  - None to Date
- **Integrated Gasification Combined Cycle**
  - None to Date
- **Non-Tier 1 Fuel Cells**
  - See Above: Franklin Fuel Cells

**Education (Not including Application of Technologies Listed Above)**

- K-12 Energy Curriculum Development – Penn State University
- CEEP Green Campus Education
- Industry Specific – Clean Energy State Alliance
- Green Building Association of Central Pennsylvania
- NW PA and Laurel Highlands Chapters of Pittsburgh Green Building Alliance
- Mid-Atlantic Renewable Energy Coalition
- Pennsylvania Foundry Association

- US Green Building Council
- Manufacturers Association of Berks County
- Public Lebanon Valley Conservancy
- Penn Future
- Clean Energy Expo
- Berks County Conservancy – State of the Environment
- Keystone HELP
- WPSX –TV
- Southern Alleghenies Conservancy
- Berks County Community Foundation
- Erie School District
- Berks County Conservancy
- *Total \$528,521*

# SUSTAINABLE DEVELOPMENT FUND

(PECO Service Territory)

## 2011 Update

<http://www.trfund.com/sdf>

### INTRODUCTION

The Sustainable Development Fund's portion of this 2011 Annual Report was prepared by The Reinvestment Fund (TRF), the manager of the Sustainable Development Fund (SDF), to summarize the initiatives and accomplishments of SDF in calendar year 2011. This year has been a year of transition for SDF, as will be discussed in the following section.

### ACCOMPLISHMENTS

#### Loans and Investments

In the 2010 Annual Report, SDF wrote about TRF's success in securing \$20.5 million of American Recovery and Reinvestment Act (ARRA) funding for building energy lending. In 2011, TRF worked to deploy this funding in good building energy projects through the Pennsylvania Green Energy Loan Fund (GELF) and the EnergyWorks Loan Fund.<sup>2</sup> In 2011, TRF obligated \$9,030,000 in GELF loans and \$5,306,613 in EnergyWorks loans.

Also in 2011, the U.S. Department of Energy changed its position on the EnergyWorks lending and informed the City of Philadelphia that TRF's funding could no longer be used for direct lending but would have to be used for a Loan Loss Reserve and for an Interest Rate Buy Down which TRF was to use to raise capital from other sources. TRF then proceeded to raise \$3 million from the Bank of America<sup>3</sup> and \$3 million from the Kresge Foundation<sup>4</sup> for energy lending. To bring the EnergyWorks lending capital up to TRF's goal of \$8.25 million, TRF committed \$2.25 million of SDF capital for EnergyWorks lending.<sup>5</sup>

Both GELF and EnergyWorks finance only eligible energy measures in a project budget. All projects must satisfy a 25% energy savings, whether the project involves new construction (25% less energy use than

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<sup>2</sup> This fund-raising was described in SDF's 2010 Annual Report.

<sup>3</sup> The Bank of America is providing a total of \$8 million to TRF, \$7.5 million through a 10 year, 1% loan and \$500,000 through a grant for technical services and administrative costs. TRF is allocating \$3 million of this funding for EnergyWorks and the balance will be used for energy lending in the Philadelphia metropolitan area and in Baltimore (where TRF has an office).

<sup>4</sup> The Kresge Foundation capital is being provided through a 10 year loan, a 1% interest for the first seven years and then 4.5% interest for the balance.

<sup>5</sup> The SDF dollars join the Bank of America and the Kresge Foundation dollars in a loan pool for EnergyWorks lending. Individual loans are funded in a pro-rata share based on their percentage of the total loan pool.

the current energy code), gut rehab (25% less energy use than for existing buildings of the same building usage) or retrofit (25% energy savings from historical consumption).<sup>6</sup>

<b>Project</b>	<b>Location</b>	<b>SDF\$</b>	<b>Total Energy \$</b>	<b>Project Description</b>
Campus Apartments – Home2 Suites	Philadelphia	\$82,474	\$1,600,000	This project involves the construction of a new, 10-story, 136 suite, extended stay hotel in West Philadelphia.
Ambler Boiler House	Ambler	\$20,455	\$2,500,000	This project involves the gut rehab of a 1920’s boiler plant next to the Ambler regional rail station into commercial office space.
Esperanza College	Philadelphia	\$69,986	\$1,056,613	This project involves the gut rehab of warehouse space into classrooms, labs and offices for Esperanza College and Eastern University.
1400 Spring Garden	Philadelphia	\$204,548	\$2,500,000	This project involves the gut rehab of the former Pennsylvania State Office Building in Philadelphia into 204 rental apartments.
<b>Totals</b>		<b>\$377,462</b>	<b>\$7,656,613</b>	

The four loans involve 525,135 square feet of building space and the overall building project budgets for these four loans total \$121,748,197. The estimated energy savings of these four projects is 10,781 million BTUs per year.

As of December 31, 2011, SDF had approved a cumulative total of 47 loans and investments, totaling \$24,335,214. The total budget of these 47 projects supported by SDF is approximately \$254,135,231.

**Core Grants**

As reported earlier, the SDF board decided to suspend the core grant program on June 24, 2008 until such time as the board determined that SDF income from loans and investments justifies resumption of the core grants.

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<sup>6</sup> For detailed information about TRF’s energy lending work, please visit [www.TRFund.com/EnergyLoans](http://www.TRFund.com/EnergyLoans).

As of December 31, 2011, SDF had approved a cumulative total of 87 core grant applications totaling \$1,769,858 in SDF support towards projects with a total value of approximately \$98,406,292. Four of these successful applicants withdrew prior to execution of a grant agreement, leaving 83 projects under executed grant agreements with SDF.

As of December 31, 2011, SDF had paid \$1,312,680 to its core grantees and had made a budget adjustment of \$424,865 to the core grant program budget to reflect the four unexecuted agreements and the grants coming in under budget. At the close of 2011, there are two open core grants with an unexpended balance of \$24,813.

In 2011, the SDF board discussed re-opening the core grant program in 2012 with a budget of approximately \$200,000 per year. In 2012, the Board decided not to open the core grant program.

## **PECO-UNICOM MERGER PROGRAMS**

### **The Pennsylvania Wind Development Program**

In the 2000 settlement of the PECO-Unicom merger proceeding, SDF received \$12 million for the purpose of developing new Pennsylvania wind projects. As of December 31, 2011, SDF had paid a total of \$11,593,093 to various Pennsylvania wind projects, leaving a balance of \$406,907.<sup>7</sup>

In 2010, SDF approved a \$200,000 grant to New Tech Wind to erect a 2.0 megawatt turbine utilizing a new direct drive generator technology developed by New Tech Wind and Penn State University. Unfortunately, the grantee was unsuccessful in securing the additional capital it needed and declared the project dead at the end of 2011.

In 2011, the SDF board discussed how to deploy the remaining wind funds. SDF considered a grant request from the Renewable Energy Center at St. Francis University to use the available \$406,907 to finance a variety of their small and community wind activities. That request was approved in 2012.

### **The Solar Photovoltaic Grant Program**

#### **The Solar PV Grant Program**

In the 2000 settlement of the PECO-Unicom merger proceeding, SDF received \$4 million for the purpose of supporting solar photovoltaic (PV) installations in Pennsylvania. SDF supplemented this solar funding through a solar PV grant from the Pennsylvania Energy Development Authority (\$701,366) and through

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<sup>7</sup> Please see SDF's annual reports in earlier years for a full discussion of the Pennsylvania wind program and projects.

the net proceeds SDF has earned from the registration and sale of Solar Renewable Certificates (SRECs) in the amount of \$328,668,<sup>8</sup> for a total SDF solar program budget of \$5,030,034.

	<b>Total \$ Committed</b>	<b>Total \$ Paid</b>	<b>Unpaid Balance</b>	<b>Uncommitted</b>
Solar PV grants (232 systems)	\$3,765,384	\$3,660,163	\$107,871	
Program administration, installer training, education and coordination	\$587,819	\$567,819	\$20,000	
<b>Totals</b>	<b>\$4,353,203</b>	<b>\$4,227,982</b>	<b>\$127,871</b>	<b>\$676,831</b>

Throughout 2011, SDF continued to inspect installed systems and make payments of the initial installation grant and the first year electricity production subsidy payments. As of December 31, 2011, SDF had \$127,871 of committed but unpaid subsidy payments.<sup>9</sup>

As of December 31, 2011, SDF had an uncommitted balance of \$676,831 in its solar program. The SDF board is evaluating how this funding could be deployed most effectively to support future solar development in Pennsylvania and a final decision is likely by mid-2012.

#### **The Renewable Energy Public Education Program**

In the 2000 settlement of the PECO-Unicom merger proceeding, SDF received \$2.5 million for public education pertaining to renewable energy. Since 2001, SDF has operated a public education program that has involved 42 separate grant agreements for a wide variety of activities. As of December 31, 2011, SDF has paid \$2,491,251 to these grantees, leaving a balance of \$8,749.<sup>10</sup>

SDF has received several requests to support some upcoming public energy events. These requests are awaiting formal board approval and are expected to use up the remaining public education funds.

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<sup>8</sup> As of December 31, 2011, SDF had made twelve sales for a total of 1,810 SRECs, netting \$475,078 after commissions. The SREC proceeds are shared 50/50 with many of the system owners (while many other owners allow SDF to retain 100% of the SREC proceeds). The total SRECs payments given to the system owners is \$146,411 and SDF's share, which is dedicated to the Solar PV Grant Program, is \$328,668. Because of the extremely low prices for SRECs in 2011, SDF made no additional SREC sales after January 11, 2011. SDF continues to register the electricity generation of its participating grantees on GATS and is awaiting more favorable market conditions to make additional sales.

<sup>9</sup> Please see SDF's annual reports in earlier years for a full discussion of the solar photovoltaic program and projects.

<sup>10</sup> Please see SDF's annual reports in earlier years for a full discussion of the public education program and projects.

## **ORGANIZATIONAL ISSUES**

### **Board Membership**

The SDF board is comprised of seven members, whose two-year terms are staggered so that the terms of an approximately equal number of directors end each year. Current board members may serve two consecutive full terms. Three of SDF's board members' (Albert Koenig, Muscoe Martin and Janet Milkman) terms expired on December 31, 2011. Al Koenig and Muscoe Martin were completing their second terms and under the SDF bylaws were not eligible for reelection, but Janet Milkman was finishing her first term and was eligible for and interested in serving a second term.

The SDF Board approved selection criteria for new candidates to be recommended to the Board. Public notice regarding the seeking of nominations to the SDF Board was given by a variety of means including:

- A written letter was mailed on October 14, 2011 to the PUC and the original parties to the PUC settlement order creating SDF;
- A notice was emailed on October 14, 2011 to SDF's e-mailing list; and,
- A notice was posted on SDF's website on October 14, 2011.

Unfortunately, by the nomination deadline of November 16, 2011, only one nomination was received. SDF staff contacted the Commission and it was agreed that SDF would postpone its annual meeting to give it time to solicit additional nominations. According to the SDF bylaws, the terms of the board members whose terms are expiring can serve until the Commission approves their replacements, so Albert Koenig, Muscoe Martin and Janet Milkman remain on the board. SDF will solicit additional nominations and hold board elections in 2012.

### **Board Meetings**

During 2011, the SDF Board met on August 25 and October 27. The 2011 annual meeting was scheduled for December 14 but had to be postponed due to the receipt of an insufficient number of nominations. The annual meeting will be held in 2012.

### **Coordination with the Other Pennsylvania Sustainable Energy Funds**

In 2011, the regional sustainable energy funds met as a group on May 27 in Grantville to discuss projects of mutual interest and to better coordinate future activities. SDF staff spoke at the Sustainable Energy Fund's EnergyPath conference at DeSales University on June 27, 2011.

### **Pennsylvania Sustainable Energy Board**

SDF staff participated in the Pennsylvania Sustainable Energy Board annual meeting for 2011, which was held in Harrisburg on December 7, 2011.

## FINANCIAL REPORT

As of December 31, 2011, SDF had 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.

Pursuant to the terms of the PECO Energy/Unicom merger agreement, SDF had also received three installments of \$4,000,000 for the Pennsylvania Wind Development Program (total of \$12,000,000 received); 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 received). SDF's solar program also received a grant of \$701,366 from the Pennsylvania Energy Development Authority and proceeds from the sale of Solar Renewable Energy Credits of \$328,668, for a total solar photovoltaic program budget of \$5,030,034 as of December 31, 2011.

SDF's audited financial statements for the twelve-month period ending December 31, 2011 show total income of \$212,519 for the period. Operating expenses and program costs for 2011 totaled \$383,483. The Pennsylvania Advanced Industrial Technology Fund took a write-off in 2011 of \$393,500. As a result, SDF experienced a deficit of \$564,464 for the year.

On December 31, 2011, SDF held funds in two accounts pending disbursement for its loans, investments, grants and operations: \$4,494,747 was held in SDF's sweep/liquidity/checking investment account and \$3,208,851 was held in SDF's Limited Maturity investment account. The Limited Maturity investment account is invested in government agencies and U.S. Treasuries. The average maturity of the underlying securities is approximately 15 months.

As of December 31, 2011, there was \$406,907 in undisbursed and uncommitted wind development program funds; \$8,749 in undisbursed Renewable Energy Public Education program funds; and \$804,702 in undisbursed and uncommitted funds in the expanded budget of the Solar PV Grant Program (\$127,871 in undisbursed funds and \$676,831 in uncommitted funds).

Outstanding loans, energy performance contract leases receivable and outstanding investments in portfolio companies at December 31, 2011 totaled \$3,134,053. An account payable of \$43,166 to The Reinvestment Fund for operating expenses was approved under the 2011 operating budget. SDF's liabilities at December 31, 2011 totaled \$145,774 and were comprised of general accounts payable and accrued expenses of \$7,955, grants payable of \$77,606 and amounts payable to third parties of \$17,047.

Audited financial statements for the year ending December 31, 2011 are available upon request by contacting Roger Clark, Fund Manager, Sustainable Development Fund, The Reinvestment Fund, 1700 Market Street, 19<sup>th</sup> Floor, Philadelphia, PA 19103.

# **SUSTAINABLE ENERGY FUND**

(PPL Service Territory)

## **2011 Update**

<http://www.theseef.org>

### **INTRODUCTION**

The Sustainable Energy Fund (SEF) continues working toward promoting renewable energy and energy efficiency. SEF has experienced an excellent year in funding renewable energy and energy efficiency projects, while still growing and evolving the portfolio of funding options. SEF has also experienced the largest number of attendees at its annual conference which educates and trains the community within the region. The growth in both programs is a result of taking decisive and proactive steps to enable the fund to improve performance, enhance value, and meet its mission.

While SEF pursues changes in its programs, it conservatively manages the financial aspects of the fund's finances. Today it remains well positioned to contribute to the success of sustainability projects - even within an economy facing turbulent times. A strong balance sheet and significant liquidity are keys to making an immediate difference toward its mission and it has both.

SEF remains dedicated to helping energy users make informed decisions and in financially supporting projects that meet specific criteria. SEF is consistent and transparent in its financial reporting and execution of operations.

### **HIGHLIGHTS AND ACCOMPLISHMENTS**

#### **Educational Initiatives**

Energypath, Sustainable Energy Fund's educational program, is implemented to inform all energy users on ways they can create sustainable changes in energy consumption.

Energypath's goals include:

- Encourage and promote energy efficiency and renewable energy
- Support and inform teachers, educators, and group leaders
- Ensure that current information and data is available to energy users
- Provide speakers to inform the various participants

Energypath programs are developed to provide energy information to all types of energy users. Energypath's educational programs include: the Energypath 2011 conference, Resource Locator/Interactive Website, Educational Outreach/Speakers Bureau, Power Lunches, and Regulatory Monitoring.

### *Sustainable Energy Conference 2011 at DeSales University, Center Valley, PA*

The 2011 Sustainable Energy Conference was held June 27-30, 2011, at DeSales University in Center Valley, Pennsylvania. The pre-conference boot camps brought the industry's top sustainable energy trainers to lead pre-conference training on solar photovoltaic, solar thermal, wind energy, energy policy, and energy efficiency. Each boot camp integrated hands-on activity, information on the technology behind the science, interaction among participants, and information on the political events affecting the industry. To facilitate learning for participants with different levels of knowledge and skill sets, each boot camp had a mix of educators, students, and dislocated workers. The main conference focused on green jobs, economic development, environmental policy and education and included over 55 seminars and more than 60 speakers. Concurrent with the conference was an exhibition that included exhibitors from local and regional energy efficiency and renewable energy generation contractors as well as working displays of renewable technologies.

In 2011, 135 boot camp scholarships were provided to students, educators and dislocated workers. Conference participation totaled over 425 and included the scholarship participants, general public, expo participants, and speakers.

New in 2011 was the Middle School Science Fair. Students representing 16 schools participated in the first annual Renewable Energy Science Fair. Each team presented their poster board and research data. These projects were evaluated for creativity, scientific thought, clarity, and skill. The high scoring team, St. Joseph the Worker School, received their award at the Keynote Dinner.

### *Resource Locator/Interactive Website*

SEF researches and maintains a comprehensive catalog of resources designed to help Pennsylvanians locate grants, loans, and other sources of funding for renewable energy and energy efficiency projects. The information is provided both via the internet ([www.energypath.com](http://www.energypath.com) or [www.theseef.org](http://www.theseef.org)) and is available in hard copy for those without internet access. The SEF's other educational efforts actively seek to link participants to these resources.

### **Educational Outreach**

SEF continues its educational outreach. SEF provides expert speakers to community organizations for participation in panel and conference breakout sessions. During 2011, over 470 educational hours were attributed to the SEF's Education Outreach/Speaker's Bureau. Education Outreach/Speaker's Bureau events included two Energy Service Provider mini conferences, a wind conference, an energy buying group conference, a Chamber conference and a Girl Scout event, and other events.

### **Power Lunches**

SEF continued the Power Lunches, which are informal education sessions on renewable energy and energy efficiency topics. Power Lunches are an opportunity for those who are interested in sustainability and renewable energies to attend, free of charge, a luncheon seminar. Power Lunches run monthly in the Allentown and Harrisburg areas. Seminar topics included: Introduction to Sustainability, Wind Energy, Energy Storage, Biomass, Solar Photovoltaic and Solar Thermal. During 2011, over 160 educational hours were attributed to the 14 Power Lunches.

### **Regulatory Monitoring**

SEF engages in sustainable energy awareness efforts, provides sustainable energy education and intervenes in regulatory proceedings that impact energy conservation, energy efficiency or renewable energy. SEF continues to represent ratepayers' interest in sustainable energy proceedings before the Public Utility Commission.

## **PROGRAM RELATED INVESTMENTS**

SEF's financial programs seek to aid energy users in overcoming financial barriers through a variety of self-sustaining financial tools that include loans, leases, and equity investments. Each investment must establish mission fit and meet minimum financial requirements. Programs include: Loans/Leases, Energy Service Provider Network, Administration of an Energy Harvest Grant, and the Allentown Buy-Down Program.

### **Loans/Leases**

Over the past year, SEF committed to fund 11 projects totaling \$4,517,272. Funding of \$7,675,124 was provided on projects committed to in 2010 and 2011. Kilowatt hours generated and kilowatt hours saved over the past year were 8,368,513 and 2,467,489, respectively. Information on these committed projects for 2011 is listed below:

Elizabethtown Public Library; located in Elizabethtown, PA, is a local non-profit library servicing the borough of Elizabethtown and surrounding communities. The library was established in 1925 and incorporated in 1959. SEF disbursed a \$250,000, six-year term loan on 2/28/2011 to support an installation of an upgraded HVAC system and programmable control system. The loan proceeds were used to install a programmable direct digital control system, four ten-ton 12.5 SEER DX unitary systems with comparative enthalpy economizers, one five-ton 15 EER DX unitary system and two 95% efficient boilers. These HVAC upgrades, totaling \$250,000, have a projected annual energy reduction of 82,655 kilowatt hours translating to an annual dollar savings of \$12,160, and a reduction of 3,699 Therms of natural gas translating to an annual dollar savings of \$4,579.

George and Rachel Haddad; located in Allentown, PA, own a warehouse which has Goodyear Tire and Rubber as the main tenant. SEF committed a \$405,000, five and a half year term loan on 7/26/2011. The loan proceeds were used to support the design and installation of a grid-tied, roof mounted 100 kW solar photovoltaic (PV) electrical system on the warehouse. Total project cost was \$405,000 and will generate approximately 118,429 kilowatt hours of AC electrical production per year, saving the client approximately \$11,369 annually.

Phalanx Associates, Inc.; located in Colts Neck, NJ, is a special purpose entity with the specific purpose to manage the solar array and provide clean electrical power to St. Mary's Parrish. SEF committed a \$795,000, five and a half year term loan on 3/1/2011. The loan proceeds were used to support the design and installation of a grid-tied, code compliant, ground mounted 158 kW solar PV electrical system. Total project cost was \$995,000 and will generate approximately 198,783 kilowatt hours of AC electrical production per year which will be sold to the church.

Evergreen Road Associates, Inc.; located in North Hanover, NJ, is a special purpose entity with the specific purpose to manage the solar array and provide clean electrical power to the Church of the Assumption. SEF committed a \$388,000, five and a half year term loan on 8/17/2011. The loan proceeds were used to support the design and installation of a grid-tied, code compliant, ground mounted 82 kW solar PV electrical system. Total project cost was \$575,884 and will generate approximately 97,301 kilowatt hours of AC electrical production per year which will be sold to the church.

Nordon LLC; located in Langhorne, PA, is a single point of contact for wholesale purchasing, product marketing and distribution, and equipment service and support for the food service industry. SEF committed a \$57,655, five year lease on 11/16/2011. The loan proceeds were used to upgrade all lighting fixtures with new energy efficient fixtures and lamps in the facility. Annual energy savings for the lighting system upgrade are estimated at 156,072 kilowatt hours for a 57 percent reduction in energy consumption. Estimated annual cost savings are \$18,728 per year.

Solar Technology Inc; located in Allentown, PA, is a manufacturer of solar powered safety signs. SEF committed a \$32,310, three year lease on 11/16/2011. The lease proceeds were used to upgrade all lighting fixtures with new energy efficient fixtures and lamps in the facility. Annual energy savings for the lighting system upgrade are estimated at 97,723 kilowatt hours. Estimated annual cost savings are \$10,183 per year.

Strata Company; located in Plymouth Meeting, PA, is a marketing and printing company that provides smart solutions to meet individual businesses objectives. SEF committed a \$14,100, three year lease on 11/23/2011. The lease proceeds were used to upgrade all lighting fixtures with new energy efficient fixtures and lamps in the facility. Annual energy savings for the lighting system upgrade are estimated at 47,409 kilowatt hours for a 72 percent reduction in energy consumption. Estimated annual cost savings are \$5,538 per year.

Keystone Solar, LLC; located in North East Drumore Twp., PA, is a special purpose entity with the specific purpose to manage the solar array and provide clean electrical power. SEF committed a \$1,750,000, 12 month term loan on 12/5/2011. The loan proceeds were used to support the design and installation of a grid-tied, ground mounted 6 MW solar PV electrical system. Total project cost was \$23,345,000 and will generate approximately 7,954,000 kilowatt hours of AC electrical production per year.

AFC First Financial Corp; located in Allentown, PA, is a financial institution that provides funding for residential energy efficiency projects. SEF committed a \$250,000, one year revolving line of credit on 2/10/2011, which was extended to \$750,000 on 5/13/2011. The loan proceeds are used to fund projects completed under the Keystone Help program through AFC First Financial. Since the establishment of the loan, AFC First Financial has rolled the loan over eight times in 2011 for a total amount of \$3,649,966 and has been able to assist the residential market reduce 2,043,645 kilowatt hours.

Alliance Hall of Allentown, Inc.; located in Allentown, PA, is a not for profit organization established to provide community services and property management for the property located at North 6<sup>th</sup> Street in Allentown. SEF committed a \$65,195, five and a half year term loan on 5/24/2011. The loan proceeds were used to replace 140 windows in Alliance Hall. Total cost of the project was \$65,195 and will reduce the utility cost for the building. Annual energy savings for the window replacement is estimated at 19,646 kilowatt hours.

ECON Opportunities, Inc.; located in Reading, PA, is an engineering consulting firm that assists townships and municipalities in lowering their energy costs. SEF committed a \$10,012, five year term loan on 7/5/2011. The loan proceeds were used to retrofit existing traffic lights for the municipality of Mt. Penn. Annual energy savings for the lighting retrofit are estimated at 20,339 kilowatt hours. Estimated annual cost savings are \$2,563 per year.

**ENERGY EFFICIENCY LOANS**  
**ENERGY ANALYSIS FOR YEAR ENDING DECEMBER 31 ,2011**

<b>Project</b>	<b>Committed Funds</b>	<b>Kilowatt-hours generated per year</b>	<b>Kilowatt-hours saved per year</b>
Elizabethtown Public Library	\$250,000	N/A	82,655
George and Rachel Haddad	405,000	118,429	N/A
Phalanx Associates, Inc	795,000	198,783	N/A
Evergreen Road Associates, Inc	388,000	97,301	N/A
Nordon, LLC	57,655	N/A	156,072
Solar Technology Inc.	32,310	N/A	97,723
Strata Company	14,100	N/A	47,409
AFC First Financial Corp.	750,000	N/A	2,043,645
Alliance Hall of Allentown, Inc.	65,195	N/A	19,646
Keystone Solar, LLC	1,750,000	7,954,000	N/A
ECON Opportunities	10,012	N/A	20,339
<b>Total</b>	<b>\$4,517,272</b>	<b>8,368,513</b>	<b>2,467,489</b>

**Grants**

Pennsylvania Energy Harvest Grant. In August of 2009, SEF was awarded a PA Energy Harvest Grant to provide a compact manure digester for electricity generation and odor control. The technology for this digester offers significant advantages over conventional digestion systems such as small tankage requirements, lower system capital costs, lower system construction costs, tolerance to shock loading, small foot print requirements, ability to expand, and ability to quickly recover from adverse operating conditions. The digester is being installed at the Mains Dairy Farm in Newville, PA, a 910 cow dairy farm, and will treat over 91,300 pounds of manure per day. As a result, the expected electric generation is between 100,000 to 140,000 kilowatt hours per year. The grant of \$220,964 will provide partial funding for the project which has an estimated cost of \$566,175. The project was completed in August of 2011.

**Programs**

Allentown Buy-Down Program. SEF and the City of Allentown continued their Small Business Energy Loan interest rate buy down program. The loan buy-down program is available to public and nonprofits located within the Allentown city limits. The interest rate buy down is from 6.5 to 1.5 percent on the first \$25,000 of an energy efficiency or renewable energy project. Additional funding is available if

needed. Loan terms are extended up to five years and are structured to use the energy savings from the measures to pay back the cost of their loan.

Energy Service Provider Network. In order to locate and develop these projects, SEF has created a network of service providers who work in the renewable energy/energy efficiency field. Communication via the network allows SEF to develop financial tools and products to assist the project owner in meeting their funding needs. During 2011, over 145 educational hours were provided to members of the Energy Service Provide Network via a two day mini conference.

## **GREEN CONNEXIONS**

Green Connexions, Inc. is a for-profit C corporation owned by SEF. The mission of Green Connexions is to provide products and services through renewable energy and energy efficiency ventures. Profits from Green Connexions are used in support of SEF to help sustain its mission. In 2011, Green Connexions developed and implemented a solar thermal leasing program.

## **BOARD ACTIVITIES**

At SEF's 2011 Annual Meeting, Mr. Andrew Stein was reappointed as SEF's Chairman of the Board, Fr. John Ryan was reappointed as Secretary/Treasurer, and Ms. Pam Polacek was reappointed as Vice Chairman.

The Board reviews governance, policy, and structure. There are three standing committees: Finance, Human Resources, and Program Related Investments. The Finance Committee also functions as the Board Audit Committee and the Board Investment Committee. Over the past year, the SEF Board met seven times. As of December 31, 2011, the SEF Board of Directors consisted of:

- Andrew Stein, Chairman
- Pamela Polacek, Vice Chairman
- Fr. John Ryan, Secretary/Treasurer
- Alan Roman, Director
- G. Scott Paterno, Director
- Kenneth L, Mickens, Director
- Daniel Griffiths, Director

## **FINANCIAL REPORT**

As of December 31, 2006, SEF no longer receives funding from the PPL ratepayers. SEF is funded via the program-related investments and the endowment fund.

For the year ending December 31, 2011, SEF's internal financial statements showed total income of \$1,367,972 and total expense of \$1,202,708. Unrealized Gains/Losses were \$223,854 for a net income of \$389,118. The Balance Sheet reports assets at \$21,002,471 and liabilities at \$126,537. Included in assets are program related investments of \$9,602,259. Audited financial statements for the year ending June 30, 2011 are available upon request by contacting Sally Kratz, Accountant, Sustainable Energy Fund, 1005 Brookside Road Suite 210, Allentown, PA 18106.

# WEST PENN POWER SUSTAINABLE ENERGY FUND, INC.

(West Penn Power Service Territory)

## 2011 UPDATE

<http://www.wppsef.org/>

### INTRODUCTION

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.

### HIGHLIGHTS AND ACCOMPLISHMENTS

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 Excelsa 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

<b>Business</b>	<b>Amount</b>	<b>Comments</b>
AFC First Financial	\$250,000	Bridge Financing for AFC First Financial Keystone HELP Treasury Loan Program.
<b>Total</b>	<b>\$250,000</b>	

### Grants

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

## **WPP SEF 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, included:

- John Walliser, President
- Gwen Auman, Vice President
- Jim Stark, Secretary
- Pat O'Brien, Treasurer
- Rob Hosken, Director
- Michele Ponchione, Director
- Ed Miller, Director

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, included:

- 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

### **WPP SEF 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 working groups (administrative, investment, and grant-making) 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)

### **WPP SEF Website**

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 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.