

The 2014 Annual Report of the
West Penn Power Sustainable Energy Fund



WPPSEF

WEST PENN POWER
SUSTAINABLE
ENERGY FUND

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INTRODUCTION

The West Penn Power Sustainable Energy Fund (WPPSEF) is a private non-profit Corporation incorporated on May 3, 2000. The creation and funding for the WPPSEF was authorized pursuant to the West Penn Power Company restructuring proceeding approved by the Pennsylvania Public Utilities Commission in an Order dated November 3, 1998.

In 2014, the West Penn Power Sustainable Energy Fund (WPPSEF) entered its fourteenth-year operations. WPPSEF activities continued to increase from previous years as its programs and initiatives become more visible within the West Penn Power (WPP) service region and across the Commonwealth. WPPSEF funding is focused on:

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

HIGHLIGHTS AND ACCOMPLISHMENTS

WPPSEF activities and new funding commitments were very robust in 2014. The WPPSEF Board committed \$1,587,411 to support 17 projects. Implementing these new funding commitments efforts, while monitoring and supporting WPPSEF existing active project portfolio kept the WPPSEF staff and Board very busy throughout 2014. In addition, the WPPSEF started to plan a series of events & activities for the upcoming year in 2015 to celebrate its 15-year anniversary.

2014 Mid-Atlantic Biomass Heat & Power Conference (April 23-24)

WPPSEF is working with the PA Biomass Energy Association (PBEA) to raise awareness on the use of sustainable biomass feedstocks for clean heat and power applications. WPPSEF and PBEA worked to develop, organize, and host a 2014 Mid-Atlantic Biomass Heat and Power Conference. The conference was held on April 23-24, 2014 in Gettysburg, PA. WPPSEF provided a host sponsorship to the conference which enabled

PBEA to secure the meeting space and plan the logistical details of the conference. WPPSEF worked with PBEA to make this a Mid-Atlantic regional event that would attract biomass technologies and businesses to Pennsylvania and to showcase biomass facilities within Pennsylvania. The conference was a mix of panel discussions, technical presentations, and field excursions. The two-day conference attracted over 125 attendees and featured speakers and attendees from across the U.S.. The conference was focused on the use of sustainable biomass feedstocks for clean heat & power applications in the residential, commercial, institutional, and industrial sectors. A biogas field excursions highlighted biogas utilization from a farm-based anaerobic digester (Slate Ridge farm) and the Blue Ridge landfill. A woody biomass field excursion traveled to PA Department of Conservation and Natural Resources (DCNR) Caledonia State Park to learn how DCNR is using wood to heat their facilities and the to Twin Springs Fruit farm to replace coal to heat their greenhouses.

New Showcase Projects

WPPSEF had the opportunity to support several new showcase projects in 2014. These include:

Geisinger Healthcare System (Danville Campus, Montour County). WPPSEF worked with Geisinger to install a nominal 38 kw solar PV system on the Janet Weis Children's Hospital.

Keystone Elk Country Alliance (Benezette, Elk County). WPPSEF worked with KECA to build a 40 x 80 foot LEED-certified Elk Country Campus Outdoors (ECCO) Building. The Elk Country Visitor Center attracted over 350,000 visitors in 2014. ECCO is demonstrating the use of a state-of-the-art Frohling FHG cord wood heating system (Frohling boiler combined with thermal storage in-floor radiant heating system).

Western Pennsylvania School for Deaf (Pittsburgh, Allegheny County). WPPSEF worked with WPSD to support the construction of a new 30,000 ft² LEED Silver residence for deaf and hard-of-hearing children in western Pennsylvania. WPPSEF support was

directed towards the installation of geothermal heat & cooling system, high efficiency lighting fixtures, enhanced insulation, and to defray LEED commissioning costs.

Women-In-Need (Chambersburg, Franklin County). WPPSEF is working with WIN to support the construction of a new construction of a new 11,000 ft² LEED Shelter and Advocacy Center to serve victims of domestic violence and house WIN staff. WPPSEF support is directed towards the installation of a solar thermal system, a variable refrigeration volume (VRV) heating/ cooling system, and a heat recovery ventilator.

Pennsylvania Treasury (Harrisburg, Dauphin County). WPPSEF is working the Pennsylvania Treasury to support an innovative public-private financing program to help non-profit organizations make advanced energy improvements. WPPSEF support is directed to the Foundation for Renewable Energy and Environment (FREE) who is leading the development of an ESCO sustainable energy bond program for energy efficiency projects at municipalities, universities, schools, and hospitals (MUSH) sector. This is an ongoing project.

15-Years of Operations

WPPSEF is planning a series of events and open houses to showcase Pennsylvania's sustainable energy projects & businesses in 2015. Planning started in 2014. Although WPPSEF will celebrate their 15th year of operations in 2015, much the sustainable energy community that is taking root in Pennsylvania started in the late 1990/ early 2000 timeframe. WPPSEF is using this opportunity to celebrate the collective accomplishments of Pennsylvania's sustainable energy community while building additional awareness for renewable energy, smart energy use, and how this can be developed to improve a region's economic development and environmental betterment.

Pennsylvania Sustainable Energy Board (PA-SEB)

WPPSEF provided their annual presentation at the PA-SEB public meeting on January 9, 2014. The meeting was held in the Commonwealth Keystone Building (Hearing Room 1). The presentation reviewed WPPSEF's activities in 2013 and upcoming activities in 2014.

FINANCIAL APPROVALS

The WPPSEF Board committed \$1,587,411 to support 17 projects. A detailed summary of the WPPSEF loan financing and grant making is provided in Tables 1 & 2, respectively.

TABLE 1: 2014 Loan Commitments.

Business	Amount	Comments
Keystone Elk Country Alliance (Phase II)	\$350,000	Construction of a 3,200 ft ² LEED-certified Elk Country campus outdoor building which utilizes a state-of-art-wood boiler, thermal storage, and in-floor radiant heat system. Phase I is focused on building enclosure.
AFC First Financial	\$400,000	Bridge financing for Keystone HELP WHEEL transitioning and expansion of AFC First energy efficiency lending programs.
Keystone Elk Country Alliance (Phase I)	\$150,000	Construction of a 3,200 ft ² LEED-certified Elk Country campus outdoor building which utilizes a state-of-art-wood boiler, thermal storage, and in-floor radiant heat system. Phase I is focused on building construction.
Total (Loans)	\$900,000	

TABLE 2: 2014 Grant Making Commitments.

Business	Amount	Comments
WPPSEF/ Penn Stater	\$48,500	Fifteen-year sustainable energy conference planning and event hosting
Keystone Elk Country (Phase II)	\$25,000	Grant for KECA LEED submittal process and biomass outreach activities
Elliance	\$35,000	Development and filming of a sustainable energy Essence Video showcasing a selected number of WPPSEF projects
Elliance	\$12,500	Discovery sessions with WPPSEF for upcoming sustainable energy Essence Video and Integrated Marketing Campaign
Pennsylvania Treasury	\$150,000	Development of a sustainable energy bond program for the MUSH sector
PA Turnpike Commission/ Pannier Graphics	\$1,000	Reprinting wind power display signs for Somerset Rest Plazas
Western Pennsylvania School for the Deaf	\$100,000	Funding for the construction of a LEED-Silver student residence building
Geisinger Healthcare System	\$100,000	Installation of a 38 kw solar PV system on the Janet Weis Children's hospital.
Windber Area Authority/ Kress Technology	\$25,000	Test site for the demonstration of Kress Technology new 10 hp. electric motor design
Alliance for Green Heat	\$15,600	Development of a wood stove change out program
Republic Food Enterprise	\$25,000	Funding to install a hybrid cooling technology adjacent to community kitchen
Women-In-Need	\$100,000	Funding for LEED-certified shelter and advocacy center for victims of domestic violence
Clarion Free Library	\$25,000	Funding for a LED lighting upgrade which was a comprehensive energy audit recommendation that WPPSEF provided on 2013
Eastern Westmoreland Career & Technology Center	\$24,811	Funding for a 20 foot WindStax wind power system at EWCTC's STEM Outdoor Learning Center
Total (Grants)	\$687,411	

BOARD ORGANIZATION

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. All of the board members serve on a volunteer basis.

WPPSEF Board of Directors

- Rob Hosken, *President*
 - ▶ Building Performance Architecture

- Michele Ponchione, *Vice President*
 - ▶ World Kitchen

- Jim Stark, *Secretary*
 - ▶ Fayette County Community Action Agency

- Pat O'Brien, *Treasurer*
 - ▶ First Federal Bank of Monessen

- John Walliser
 - ▶ Pennsylvania Environmental Council

- Ed Miller
 - ▶ West Penn Power

- Vacancy – Active Search

In October 2014, Gwen Aumen resigned from the WPPSEF Board of Directors. Ms. Aumen served on the WPPSEF Board from June 2010 to October 2014. The WPPSEF Board vacancy announcement was released in December 2014. 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.

WPPSEF Administrative Staff

Joel Morrison, The Pennsylvania State University, (University Park, PA)

Mr. Morrison serves as WPPSEF's Fund Administrator, which oversees the day-to-day operations of the Fund. He is assisted by Barbara Robuck (Marketing & Communications) and Elizabeth Wood (Website and Database Design/ Maintenance).

James Smith, Economic Growth Connection of Westmoreland (Greensburg, PA)

Mr. Smith is the President of the Economic Growth Connection (EGC) of Westmoreland. He is assisted by Donna Bates (Director of Finance) and Mike Strong (Accounting).

WPPSEF Board Meetings

The WPPSEF board meetings are scheduled 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 grant making) that meet on an as-needed basis.

In 2014, the WPPSEF Board of Directors met on:

- February 20 (Greensburg, PA)
- May 8 (Uniontown, PA)
- June 12 (Extended Conference Call)
- August 14 (Greensburg, PA)
- October 9-10 (State College, PA)
- December 10 (Charleroi, PA)