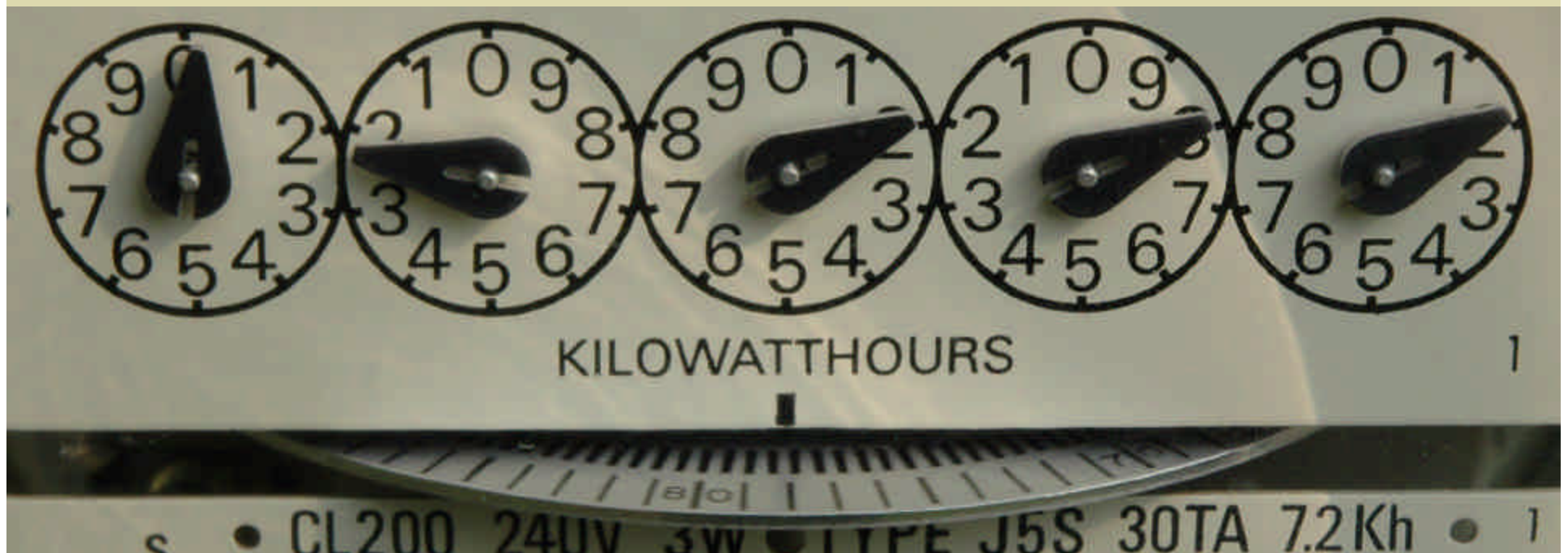


PA Sustainable Energy Funds

- The West Penn Power Sustainable Energy Fund •





Overview of PA-SEFs

- PA-SEFs established in late 1990's when PA restructured its electric industry
 - PA-SEFs are regional funds, unique tie to local communities
 - Annual audit & reporting, PA-PUC, PA-SEB
 - PA-PUC provides a compiled annual report on SEF activities
- Generated ~ \$60M in funding
 - Some mandated programs (e.g. wind, solar, education)
 - Majority of funds meant to be sustainable
 - Focused primarily on electric programs

Key Contacts for PA-SEFs

Fund Name	Key Contact	Telephone	E-Mail	Web Site
Metropolitan Edison Company SEF	Rick Mappin	(610) 685-2227	RICHARDM@bccf.org	www.bccf.org/pages/gr.energy.html
Penelec SEF	Mike Kane	(814) 536-7741	mkane2@atlanticbb.net	www.calleghenies.org/penelec.htm
Sustainable Development Fund (PECO Energy)	Rob Sanders (Investments) Roger Clark (Grants)	(215) 574-5800	Energy@TRFund.com	www.trfund.com/sdf/
Sustainable Energy Fund (PPL)	Jennifer Hopkins	(610) 264-4440	TheSEF@TheSEF.org	www.theseef.org/
West Penn Power Sustainable Energy Fund	Joel Morrison	(814) 865-4802	wppsef@ems.psu.edu	www.wppsef.org

Visit PA-Public Utilities Commission: http://www.puc.state.pa.us/electric/electric_renew_sus_energy.aspx

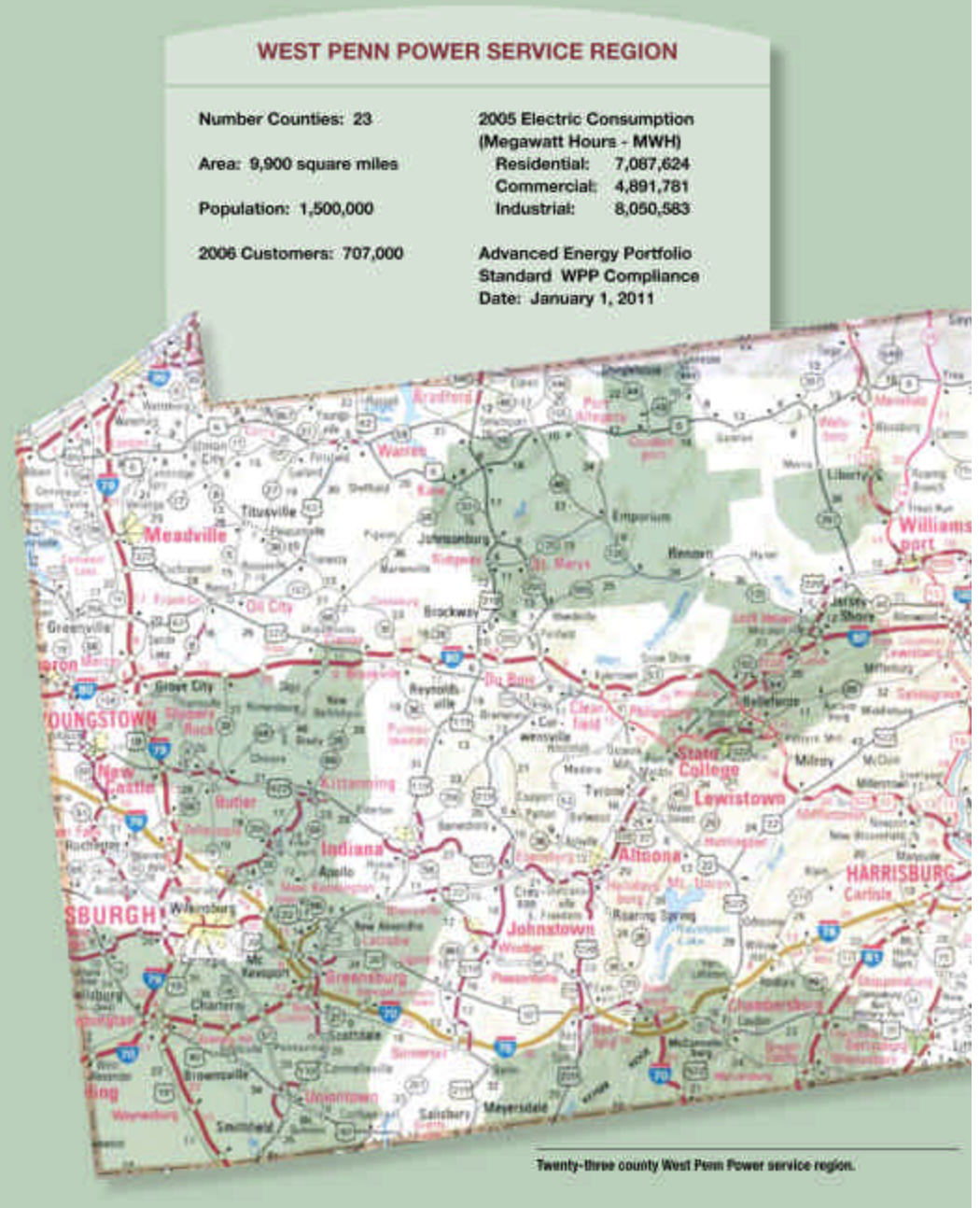


Who is the WPPSEF?

- Non-profit, mission is to promote and invest in:
 - Renewable and clean energy generation
 - Energy efficiency and conservation technologies
 - Businesses that develop and manufacture clean energy technologies
- Organizational Structure
 - Seven member, volunteer Board of Directors
 - The Pennsylvania State University/ Economic Growth Connection of Westmoreland County
- Investments include:
 - Modest financial returns (allocated ~ 80-90% funds)
 - No return (allocated ~ 20-10% funds)

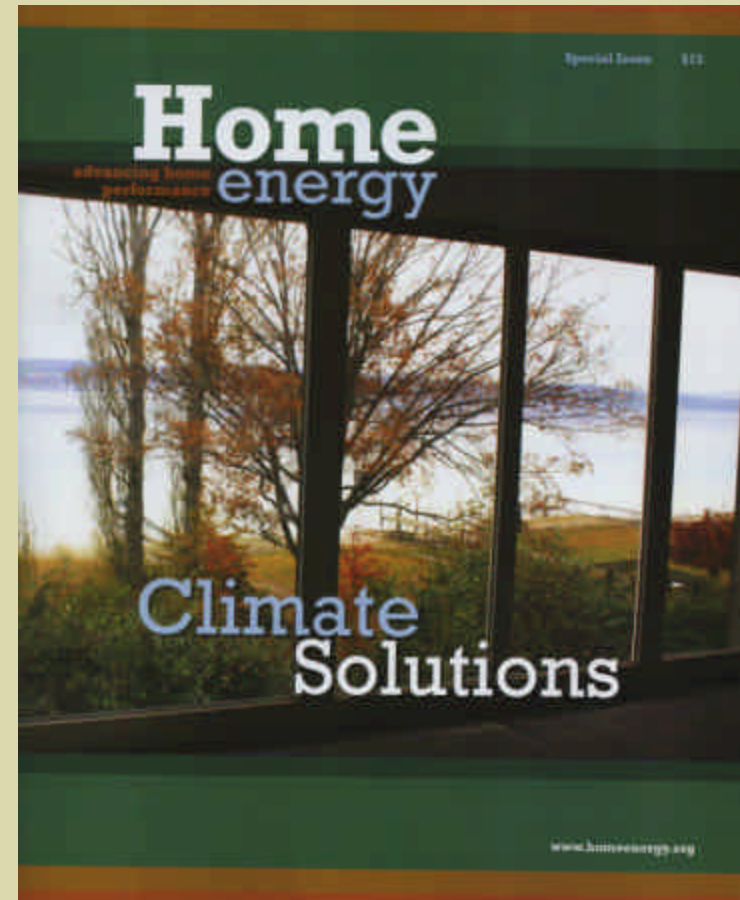
Where is WPPSEF Primary Focus Area?

- Mission fit
- Benefit to WPP ratepayer



Since Our Inception

- In 2001
 - Few developers/ early market
 - Limited funding agencies
 - Building WPPSEF awareness
 - Efforts primarily focused on building project pipeline
- As we enter 2009
 - Strong governmental support
 - Markets are growing
 - PA-Alternative Energy Portfolio Standards/ Alternative Energy Investment Act/ HB2200
 - Expiration of rate caps 2010/ 2011





How do we invest

- Set strategic priorities
 - Biomass & energy efficiency for 2007/ 2008
 - If needed, WPPSEF launches strategic initiatives
- Investment filters
 - Mission fit, benefit to WPP ratepayer
- Investment process
 - Site visit
 - Technical and financial due diligence
 - Rates and terms are customized
 - Investment range: \$10,000 - \$2,000,000



Clean Energy Generation

Wind & Solar

- Wind (\$1M+)
 - Utility-scale: Somerset/ Bear Creek wind farms (35 Mw)
 - Residential-scale: Donahoe/ McKeever 20 (kW)
 - Commercial-scale: NONE

- Solar (PV/ Thermal) (\$2.8M+)
 - PV
 - Manufacturing: Ebara Solar/ Solar Power Industries
 - Deployment: Friends School, Try-Again Homes, Greenforge, Solar Decathlon (20 kW)
 - Thermal:
 - Wilson College, McKeever, South Sixth Street project
 - PA Home Energy



Clean Energy Generation - Bioenergy

- Manufacturing/ Deployment (\$2.45M)
 - Bio-diesel (AgCom/ Soy Energy) - 2M gal/ yr
 - LMF Manufacturing - new product development/ plant expansion
 - Advanced Recycling Equipment - plant expansion
 - Elk Regional Health Center – biomass system expansion
- Driving biomass activity (\$250 k)
 - Native Energy – farm digesters, carbon offsets
 - PA Biomass Working Group
 - WPPSEF Native Grass program



Concluding Remarks

- During the last 8 years, PA has made major commitments to energy and has become a national leader.
- WPPSEF is looking for good projects to co-invest in. Need to consider mission fit & benefit to WPP ratepayer.
- WPPSEF activity is high, quality of funding requests have improved, funding is more competitive.
- WPPSEF investment schedule is open, grants more restricted.