

# Helping your business obtain sustainable energy

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Special for Lehigh Valley Business

There was more to Pennsylvania's electricity deregulation effort than just the reduction of cost-per-kilowatt-hour.

While competition was supposed to control prices, leaders also wanted ingenuity. They wanted to open up opportunities for renewable energy production services and enterprises, ranking the generation method and the power's actual use on par with the importance of the billable rate.

During the restructuring agreement, the Pennsylvania Utility Commission created one entity for each major electrical-supply region in the state for the purpose of fostering renewable energy, clean energy and energy conservation.

In 1999, a private nonprofit called the Sustainable Energy Fund of Central Eastern Pennsylvania was created in PPL Electric Utilities' territory. Today the SEF mission "is to assist energy users to strive for a future where energy is harvested, converted, distributed and utilized in a manner that allows all to meet their energy needs without compromising the ability of future generations to meet their needs."

It invests in businesses that share this vision.

The results have been positive in part because SEF assists companies in a variety of ways. Financing and education are its primary roles with occasional work done addressing regulatory issues.

## 80 PERCENT SAVINGS

SEF has made projects possible through grants. For example, the owners of a popular Allentown restaurant had their eyes on an LED lighting retrofit. However, it wasn't until they learned about an SEF grant program that they began to get serious about it.

Jeff Fegley, president of Allentown Brew Works, said the resulting SEF-funded project – completed by local contractor Sitka Enterprises Inc. – "reduced our usage for lighting to about one-fifth of what was used before ... a 77 to 80

## SUSTAINABLE ENERGY FUND

- ▶ **What:** A nonprofit organization to bolster energy conservation and renewable energy generation.
- ▶ **Location:** 1005 Brookside Road, Suite 210, Allentown (service area: PPL Electric Utilities territory).
- ▶ **No. of employees:** Staff of seven; board of six.
- ▶ **Website:** [www.theseef.org](http://www.theseef.org).

percent savings."

According to the Brew Works' blog, at the time it was one of the largest lighting implementations in the restaurant industry worldwide. When asked what would have happened without the SEF investment, Fegley guessed, "We wouldn't have done the project at the size we did."

Since then, Fegley also has taken advantage of a loan program, an option that is more readily available since SEF recently restructured its own financial sustainability. Fegley said the financing process was made easy because SEF "fully understood solar energy."

The system now supplies the equivalent of 1/12th the annual electric use. (Fegley noted that a restaurant requires a lot of energy, especially one with a brewery.)

## EASIER TO OBTAIN FINANCING

Obtaining financing from SEF for an energy-related project is easier than soliciting a bank for a number of reasons.

When AquaPhoenix Scientific Inc. in Hanover, central Pennsylvania, planned for an on-site solar project, it struggled to find funding through the traditional route.

One problem, explained the company's controller, Michele Witman, was that "the market value of a building does not go up by the value of the solar project." That presents a hang-up for a bank loan.

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CONTRIBUTED PHOTO

Allentown Brew Works reduced its energy costs for lighting by about 80 percent thanks to a project funded by the Sustainable Energy Fund.

## FOCUS ON ENERGY

# ENERGY

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Additionally, the payback on the project may fluctuate. AquaPhoenix's \$1 million-plus project was originally expected to pay for itself in four to five years, but it may take more like 10 because of fluctuating payback rates.

Other financing challenges came up, too, simply because banks didn't understand the project in which they were being asked to invest.

Meanwhile, like Fegley, Whitman said of the SEF, "They knew what they were doing."

In December 2010, a 200-kilowatt rooftop

solar photovoltaic system went into service at AquaPhoenix. It had been financed 100 percent through SEF at 6.25 percent interest with the condition that any portion received via federal or state funding be used to pay down the loan.

## EDUCATION

SEF can fund only a fraction of the applications it receives. Education therefore remains a valuable component for achieving its mission, because through information sharing, skill certifications and its annual conference, SEF can open its service to a wider audience.

Grown from its award-winning Solar Scholars program, the EnergyPath conference

attracts more than 600 professionals, educators and students to learn about the latest advancements and policies.

The 2013 session is scheduled for July 29 to Aug. 2 in Villanova. Visit [www.energyath.org](http://www.energyath.org) for more information.

Much has changed since 1999. Then, the "why" of sustainable energy wasn't as broadly understood as it is today. Now the "how" presents a greater dilemma.

Rapidly progressing technology can be difficult to comprehend and follow. Projects are tough to implement without available cash. Since its inception, SEF has put a reported \$26 million dent in the problem.