



October 31, 2017

Ms. Rosemary Chiavetta
Secretary
PA Public Utility Commission
400 North Street, Keystone Building
Harrisburg, PA 17105-3265

Re: Board of Directors Replacement – Sustainable Energy Fund - Docket # M-00031715 F0003

Dear Ms. Chiavetta:

The Board of Directors of Sustainable Energy Fund (SEF) has approved Mr. Larry Eighmy and Mark Francello as a Directors. Mr. Eighmy's and Mr. Francello's resumes are attached.

The recruitment process was performed according to the Pa Sustainable Energy Board Best Practice for Nomination, Election and Approval of Directors. The initial pool presented to the Nominating Committee included 8 candidates. The candidates' credentials were reviewed by the Nomination Committee and narrowed down to the five candidates that were scheduled for Board interviews. Mr. Eighmy and Mr. Francello were approved by the Board.

In addition to Mr. Eighmy's and Mr. Fancello's resume, I have enclosed the Candidate Objective and Selection Criteria, the methodology, and a copy of the Board minutes approving Mr. Eighmy and Mr. Francello to the SEF Board.

Thank you for your continued support and consideration.

Sincerely,

John M. Costlow
President

cc: Robert Thomson, Board Chairman
Scott Gebhardt, PUC

Board Replacement

Objective Option:

To seek talented, experienced and passionate professionals who live or work in the 29 counties that comprises PPL Electric's service territory to fill a seat on the SEF Board. Preference will be given to candidates that either have a Regulatory, Technical or Business Development background.

Criteria Options:

Priority 1

1. Ability/Desire to be active: Ability to allocate time to participate in committee and Board duties.
2. Possesses Needed Skill Set: Expertise is a specific skill not already on the Board.
3. Mission: Compatibility with SEF Mandates.
4. Expertise: Professional contributions to enhance Board make-up.

Priority 2

5. Leadership: Experience working with eclectic personalities and divergent interest.
6. Team: Enhance and facilitate Board chemistry.
7. Interview: Result of face to face meeting.
8. Overall Match: General sense of being a good 'fit' for the Board and organization.
9. Professional Background: Expertise is a specific area that would enhance the organization as identified by the Board.
10. Experience with Preservation:
11. Deal Flow: Identify and promote partnerships and business opportunities.
12. Petitioner: Participated in settlement and contribute to SEF process.

Priority 3

1. Opinion Maker:
2. General Diversity: Having a background not represented on the Board.
3. Community: Contribute to positive profile.
4. Non-Profit: Prior positive experience in arena.
5. Geographic Diversity:

Methodology

The open position was posted on SEF's website as well as the Commission's website. After approval of the advertising copy, a multi-faceted recruitment effort by SEF ensued including regional newspapers and business journals from throughout the PPL-service area. Resumes of applicants for Board membership were taken and screened for the service territory requirements. The resumes were then reviewed by the Board Nominating Committee. Each applicant was evaluated according to SEF stated objectives and criteria.

The project was completed in two phases as follows:

Phase 1: RESUME REVIEW

- Nominating Committee reviewed each resume comparing it to the solicitation objective and criteria. Focus was given to SEF's three (3) Priority Areas—Regulatory, Technical and Business Development.
- Selection of interview candidates.
- Once the nominating committee selected candidates for interview SEF provided closure in one of the following forms:
 - a. Applicant called for interview.
 - b. Applicant not called for interview, thanked for interest, and notified to apply for future openings if desired.
 - c. Applicant not to be interviewed at this time, but may be considered at a later date. Application remains active for one year.

Phase 2: INTERVIEW

- Confirm residency/workplace requirement (PPL service area).
- Selected interviewed by the Board.
- Board reviewed interviews and selected candidate that best fit SEF's needs.

CONFIDENTIAL

SUSTAINABLE ENERGY FUND

Board of Directors Meeting

Sustainable Energy Fund
SEF Conference Room
4110 Independence Drive, Suite 100
Schnecksville, PA 18078

Meeting Minutes
October 25, 2017 10:00 a.m.

Present:

Robert Thomson, Chairman
Daniel Griffiths (phone)
Linda Evers
Jocelyn Cramer
William DeFalco (phone)

Also Present:

John Costlow, President
Scott Gebhardt, Pennsylvania Public Utility Commission, Utility Energy & Conservation Analyst
Jody Gurnari, J.H. Williams & Co.
Richard Rosenthal, J.H. Williams & Co.

QUARTERLY BOARD MEETING

Mr. Thomson called the Quarterly Board of Directors meeting to order.

Minutes Approval

July 20, 2017 Board Conference Call

A motion (Evers, DeFalco)

RESOLVED to approve the July 20, 2017 Board of Directors meeting minutes as presented.

Passed by voice vote (4-0-0)

July 27, 2017 Quarterly Board Meeting

A motion (Evers, DeFalco)

RESOLVED to approve the July 27, 2017 Board of Directors meeting minutes as presented.

Passed by voice vote (4-0-0)

September 27, 2017 Special Board Meeting

Ms. Cramer requested the meeting time be changed from 2a.m. to 2p.m.

A motion (DeFalco, Cramer)

RESOLVED to approve the September 27, 2017 Board of Directors meeting minutes with requested change.

Passed by voice vote (4-0-0)

Independent Auditors' Report & Communication Letter

Draft Audit for year ending June 30, 2017

Mr. Jody Gurnari, Partner in J.H. Williams & Co, reviewed the Audit Report and the Communication Letter. A copy of both documents was included in the packet. The auditors met with the Finance Committee on October 16, 2017. The auditors gave an “unmodified opinion” for the audit, which means it was a “clean opinion” with no findings. The Financial Statements are in accordance with generally accepted accounting principles, and the various disclosures are appropriate.

Key Points:

- Investments decreased from \$15.4M to \$15.1M due to increases in equipment
- The loan balance portfolio decreased from \$4.6M to \$4.2M
- Equipment was \$1.7M as compared to \$214,875 in 2016 due to the purchase of NESA equipment
- The Net realized gains and unrealized gains increased from \$294,922 to approximately \$1.5M in 2017 due to the market value adjustment on the portfolio.
- The grant revenue increased approximately \$100,000 due to Energy Sprout.
- There was an increase in net assets of \$476,849 due primarily to the investment portfolio
- Deferred ESA income is \$338,000 due to a \$350,000 payment that was received.
- Interest Income Program Loans decreased from \$317,000 to \$193,000 because \$2.2M in loans were paid off in 2015/2016.
- The Loan Loss Allowance shows a gain of \$90,533 for 2017 due to the risk assigned to loans in the last quarter of FY2017.

Mr. Gurnari reviewed two items listed under the Uncorrected Misstatements on the Communication Letter. They were immaterial to the audit report and required no changes. Ms. Cramer asked if SEF should have done anything different on reporting for June 30, 2017. The auditors clarified that the financial statements are acceptable as presented. A discussion ensued.

The auditors feel that Sustainable Energy Fund is in a good financial position.

Mr. DeFalco's call was disconnected during the Independent Auditors' Report

Mr. Gurnari and Mr. Rosenthal left the meeting

Mr. Costlow presented the Finance Committee motion to recommend that the Board accept the audit report.

A motion (Cramer, Evers)

RESOLVED to accept the Finance Committee's recommendation to accept the Auditors' Report as presented for the year ending June 30, 2017.

Passed by voice vote (3-0-0)

Mr. Thomson presented the motion to accept the Annual Report as presented.

A motion (Cramer, Evers)

RESOLVED to accept the Annual Report as presented.

Passed by voice vote (3-0-0)

New Business

Board of Directors Terms of Office

Mr. Costlow presented the Board of Directors Terms of Office as of October 2017. A discussion ensued regarding the open board positions, which currently are in the process of being filled.

Conflict of Interest

Mr. Costlow asked each Board member to sign and return a Conflict of Interest Policy. The Administrative Assistant will scan the documents and send a copy to each Board member for their personal records.

Westmoreland Landfill Project

Mr. Costlow presented a possible new opportunity for SEF in renewable transportation. A discussion ensued. The board unanimously agreed that the project aligned with SEF's mission, and that Mr. Costlow should proceed to explore the project.

Committee Reports

Finance Committee

Mr. Costlow reviewed the Finance Committee report. The Finance Committee had a meeting on October 16, 2017.

Executive Summary

Mr. Costlow reviewed the Executive Summary

Balance Sheet

Mr. Costlow reviewed the balance sheet and noted a major change since the balance sheet was prepared as of 9/30/2017. As the result of an October 2nd disbursement in the amount of \$4.89 million, there are now \$10.7 million invested in projects and \$10.1million invested in the market.

Mr. Costlow reviewed the Monthly Loan Tracking Summary. Mr. Richard Anzivino made a payment and is now current.

The investment portfolio gained 2.35% last quarter.

The Investment Income Ratio Six Month Forecast ending December 31, 2017 is favorable at 29.13%.

Human Resources Committee

Mr. Costlow reviewed the Human Resources Committee report. The Human Resources Committee had a meeting on September 12, 2017.

- SEF is participating in PPL Electric's Time of Use proceeding.
- Mr. Costlow stated that the staff incentive was paid out in July.
- A revised Board Selection Criteria process has been developed by Mr. Griffiths, and this proposed process was included in the board packet for further review. The staff will create a Standard Operating Procedure for the next Human Resource Committee meeting so that the proposal can be a voting item.

Program Related Income Committee

Mr. Costlow reviewed the PRI Committee report. The PRI Committee had meetings on August 22, 2017 and September 19, 2017.

Pipeline Report

Mr. Costlow reviewed the Pipeline Report. There are 24 opportunities worth \$5.1M in the pipeline. There are \$1M in completed audits. There is \$1.1M that is approved for Energy Savings Agreements and are awaiting disbursement. Mr. Costlow stated that the pipeline has been decreasing, but it is common for this time of year.

A motion (Evers, Cramer)

RESOLVED to accept the reports of the Finance, Human Resource, and PRI Committees as presented.

Passed by voice vote (4-0-0)

Executive Session

Board Candidate Interview Selection

The Board entered Executive Session to interview the candidates for the open Board positions.

Executive Session Ended

A motion (Evers, Cramer)

RESOLVED to approve the nomination of Mr. Mark Francello and Mr. Larry Eighmy to Sustainable Energy Fund's Board of Directors.

Passed by voice vote (4-0-0)

The meeting was adjourned.

Action Items:

- 1) Administrative Assistant will change the meeting time from 2a.m. to 2p.m. on the September 27, 2017 Board Meeting Minutes
- 2) Administrative Assistant will scan Conflict of Interest Policies and mail a copy to each Board member for their records
- 3) Staff will create a Standard Operating Procedure for the revised Board Selection Criteria for the next Human Resource Committee meeting on January 9, 2018

21 July 2017

John Costlow
President & Chief Executive Officer
The Sustainable Energy Fund
4110 Independence Dr., Suite 100
Schnecksville, PA 18078
Distributed via email to: jcostlow@thesef.org

Dear Mr. Costlow:

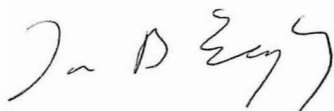
I am writing to you to express my interest in being a candidate for the Sustainable Energy Fund Board of Directors. As founder and Managing Principal of THE STONE HOUSE GROUP, I have a longstanding appreciation for the services the Sustainable Energy Fund (SEF) provides. From financing for projects and educational initiatives, I admire the SEF's mission of promoting sustainability that is present throughout the organization. I strongly believe, due to the connection between the SEF mission and my passion for energy management and sustainability, that I will be a valuable SEF Board member.

I spent a majority of my professional career building THE STONE HOUSE GROUP, where energy is a fundamental tenant of our work and supports the services we provide. I have extensive experience managing a variety of facilities and energy projects with an aim to create a balance between environmental and financial sustainability. Aside from my work at the office, I am currently the longest tenured Board of Trustee member and Treasurer at Moravian Academy. Currently, the Board and School are in the midst of developing and implementing a strategic plan to help guide the School in the coming years. My strong belief that an organization's facilities should be aligned with the SEF's goal to build net-zero energy office building.

In addition, I am an advocate for Education for Sustainability (EFS) and Project-Based Learning (PBL). In 2015, The Huffington Post published a three-part series I wrote on the spectrum of sustainability, carbon, and how to implement sustainability in schools. As a company, we created The GingerBuilding Challenge, an annual program that fuses together project-based learning (PBL) and environmental stewardship by educating students and teachers about sustainable building, energy efficiency, renewable energy, and local resources and allowing the students to express their newly acquired knowledge through a "green" and "sustainable" gingerbread house. Further, my contribution to foster sustainability within local communities is manifested by my position as the former Chairman of the Green Schools Alliance (<http://www.greenschoolsalliance.org/>), as well as my current position on the Advisory Group of the Saucon Valley Conservancy (<http://www.sauconvalleyconservancy.org/>).

This is an exciting new chapter for the Sustainable Energy Fund and I would very much enjoy serving on the Board of Trustees. I look forward to the potential opportunity to bring my knowledge and experiences to help ensure strategic governance with the Sustainable Energy Fund.

Sincerely,



Larry Eighmy
Managing Principal

LAWRENCE EIGHMY



TITLE MANAGING PRINCIPAL

AREA(S) OF FOCUS FACILITIES AND OPERATIONS MANAGEMENT, MASTER PLANNING, SUSTAINABILITY

EDUCATION

Larry graduated from Middlebury College with a Bachelor of Arts. He also studied at Carnegie Mellon University, Graduate School of Industrial Administration, and Harvard University Graduate School of Design.

PROFESSIONAL AFFILIATIONS

Larry is a member of the American Society of Healthcare Engineers (ASHE), the Association of Physical Plant Operators (APPO), the National Association of College and University Business Officers (NACUBO) and the Society of College and University Planners (SCUP). He served on the Vestry of the Cathedral Church of the Nativity, as Chairman of the Board of the Green Schools Alliance. Currently, Larry serves as a Board of Trustee and Treasurer for Moravian Academy.

SPEAKING ENGAGEMENTS

Larry is a frequent presenter at national conferences on facilities and building stewardship. He has presented at NBOA, EACUBO, NAIS, NFMT, NAES and TABS.

LARRY is a founder and Managing Principal of THE STONE HOUSE GROUP (SHG) with extensive Facilities and Operations Management experience and is recognized widely as a leader in the facilities industry. Larry has served as Principal-in-Charge and Project Manager on a wide variety of services including Owner's Representation for capital projects and operations, Facilities Condition and Overview Assessments, Energy Management and Master Planning.

He is passionate about instilling sustainability within his communities and is currently engaged on several volunteer committees. At THE STONE HOUSE GROUP's headquarters in Bethlehem, PA, Larry serves as a steering committee member of South Bethlehem's Community Benefit District initiative. Larry has also overseen the renovation of a historic building in South Bethlehem that is home to THE STONE HOUSE GROUP's headquarters and is pursuing LEED Gold Certification. Even though the building occupancy has increased by 60%, the carbon footprint has fallen by 75%.

RELATED EXPERIENCE

RIVERDALE COUNTRY SCHOOL - BRONX, NY

Principal-in-Charge of on-going relationship including Facilities Conditions and Overview Assessments, interim Facilities Director services, operational benchmarking and development of a comprehensive energy and sustainability program

ALBRIGHT COLLEGE - READING, PENNSYLVANIA

Principal-in-Charge and Senior Project Manager of \$34M Merner-Pfeiffer Science Center Projects

SWEET BRIAR COLLEGE - SWEET BRIAR, VIRGINIA

Principal-in-Charge, led Facilities Stewardship Plan on 1M SF campus

GOVERNOR JUAN F. LUIS HOSPITAL AND MEDICAL CENTER - ST. CROIX, U.S.V.I.

Principal-in-Charge of five-year energy savings contract

GEORGETOWN DAY SCHOOL - WASHINGTON D.C.

Principal-in-Charge of five-year relationship, providing Facilities Overview and Conditions Assessments, Energy Study, Level I/II Energy Audit, Solar Feasibility Study

SAINT PATRICK'S EPISCOPAL DAY SCHOOL - WASHINGTON D.C.

Principal-in-Charge of Facilities Conditions Assessment and Renewable Energy Analysis

THE LAB SCHOOL OF WASHINGTON - WASHINGTON D.C.

Principal-in-Charge of Facilities Conditions and Energy Assessment

THE TAFT SCHOOL - WATERTOWN, CONNECTICUT

Principal-in-Charge of Facilities Stewardship Assessment, 800,000 SF campus

ST. ANDREW'S SCHOOL - MIDDLETON, DELAWARE

Principal-in-Charge of Facilities Overview and Conditions Assessment update

HOLTON ARMS SCHOOL - BETHESDA, MD

Principal-in-Charge of interim and turn around management program, retro-commissioning and operations support

PARKVIEW GREEN - BEIJING, CHINA

Principal-in-Charge of LEED Platinum Pre-Certification project

PHILADELPHIA AREA INDEPENDENT SCHOOL BUSINESS OFFICERS ASSOCIATION (PAISBOA) - PHILADELPHIA, PENNSYLVANIA

Provided Project Management, and created Preferred Vendor Referral and Energy Programs

GETTYSBURG COLLEGE - GETTYSBURG, PENNSYLVANIA

Director of Operations and Capital Programs, oversaw installation of chilled water system and major renovations of three buildings

4350 Rosewood Lane
Allentown, Pa. 18103
Phone (610) 509-6337
mjfrancello@ptd.net

June 13, 2017

Sustainable Energy Fund
4110 Independence Drive, Suite 100
Schnecksville, PA.

Dear Sir/Madam,

I recently became aware of an opportunity to serve on your organization's Board of Directors.

I have considerable experience in managing a commercial department in the deregulated energy markets of the PJM ISO. My experience includes responsibilities for Energy Transactions, Capital Project Analysis, Fuel Switching, and Compliance with the Clean Air Act. As a founding member of the PPL EnergyPlus commercial team, I participated in the creation of a top tier marking and trading organization.

I am very interested in learning more about the Sustainable Energy Fund and how I might be able to contribute to its continued success.

Best Regards,

Mark J. Francello

MARK J. FRANCELLO

SUMMARY OF QUALIFICATIONS:

Resourceful results oriented individual with strong decision making and analytical skills. I have extensive experience in risk management, operations, and wholesale energy markets. This experience is complimented with proven supervisory skills and success in high intensity deadline oriented environments.

WORK EXPERIENCE:

PPL EnergyPlus LLC / Talen Energy Marketing LLC

Director - Eastern Trading and Operations July 2011 – September 2016

- Manage and motivate a team of Trading Managers to achieve \$700 M in annual margin. Responsibilities include forward energy sales to achieve margins within acceptable risk parameters. Report risk metrics and portfolio position to Senior Management.
- Responsible for implementing systems and procedures for accurate commitment of Generation Assets into the PJM, ISONE, ERCOT and NYISO markets.
- Supervisory responsibility includes accountability for performance of group and adherence to corporate delegation of authority and risk management policies.
- Maintain a high level of market intelligence, monitor commodity markets, regional trends and ISO transactional rules.
- Supplementary responsibilities include staying abreast of regulatory changes impacting the wholesale energy portfolio.

PPL EnergyPlus LLC

Manager - Short Term Trading January 2003 – July 2011

- Manage Short Term Trading Desk to achieve group margin goals exceeding \$5M in annual margin.
- Supervise and set goals for traders responsible for 24x7 operation of trading desk.
- Trade physical and financial energy products including Swaps and Options to create additional arbitrage margin.
- Work closely with Generation Dispatch manager to insure safe, profitable operation of Generation Assets.
- Create and implement Emergency Operations and Business continuity plan.

Senior Trader August 1995 – January 2003

- Start Up of Energy Trading Group. Founding member of energy trading department.
- Manage Corporate Emission Allowance Portfolio - NOx and SOx compliance with Clean Air Act.

Project Engineer – Resource Planning June 1991 – August 1995

- Economic analysis of Generation Unit Economics

EDUCATION:

B.S. – Electrical Engineering, Lafayette College, Easton Pa. 1991