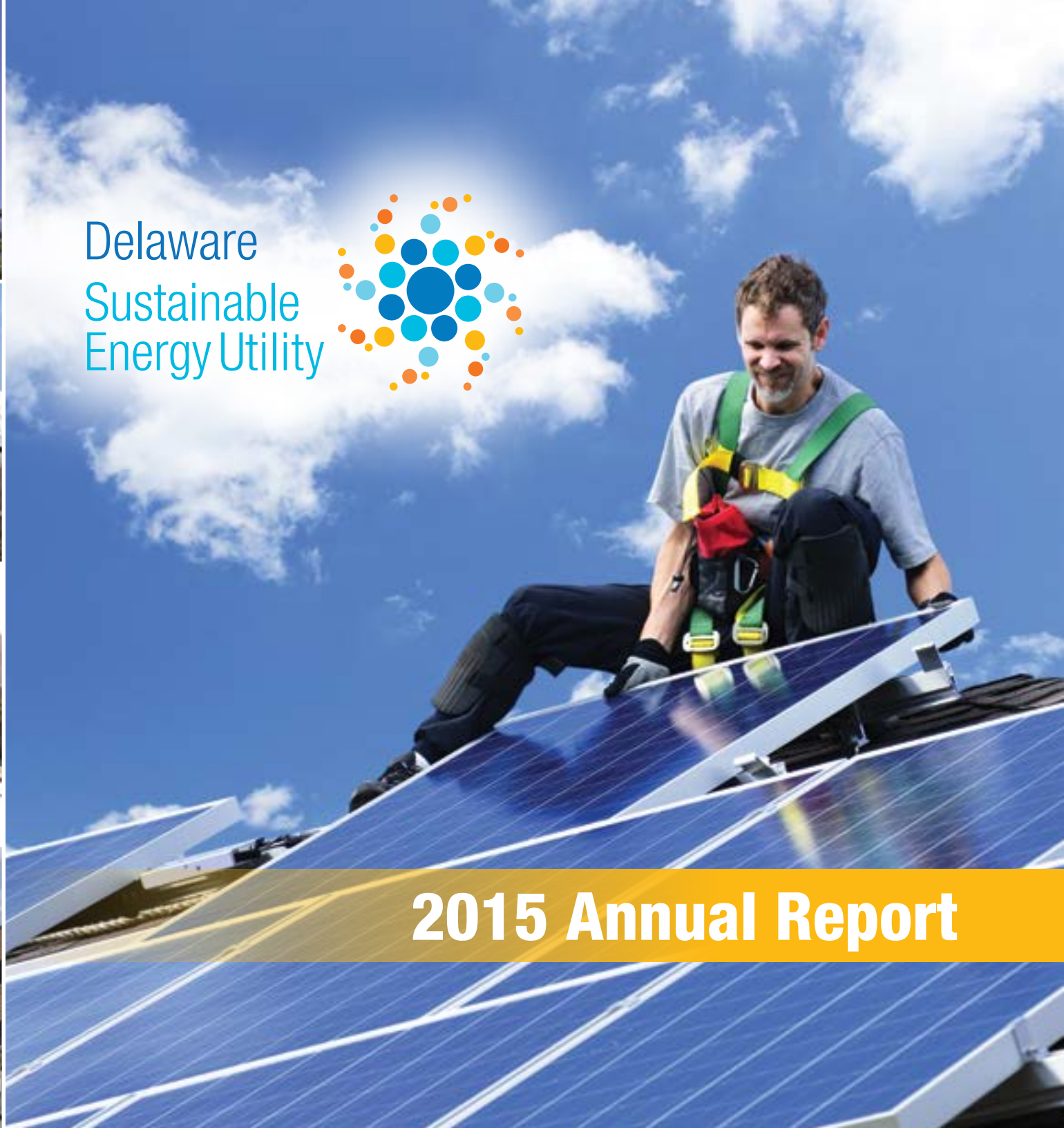




Delaware
Sustainable
Energy Utility



2015 Annual Report



DESEU VISION AND MISSION STATEMENT

Delaware Sustainable Energy Utility Vision Statement

The Delaware Sustainable Energy Utility (DESEU) will be the leading organization in the State of Delaware that offers cost effective opportunities for energy savings, creates new markets for customer-sited renewable energy generation and reduces environmental impacts of energy production and use.

The DESEU's efforts will build jobs in Delaware, improve our national security, support the local economy, improve energy reliability and protect Delaware from the damaging effects of volatile energy prices. The DESEU will accomplish this by utilizing both its authority granted by the State of Delaware and private sector entrepreneurial strategies.

Respected as an accountable, transparent, effective and nimble non-profit organization, the DESEU operates at the highest standards recognized in its industry.

Delaware Sustainable Energy Utility Mission Statement

Delaware Sustainable Energy Utility, a 501 (c) 3 non-profit organization, serves Delawareans by promoting the use of affordable, reliable clean energy and energy efficiency initiatives. The DESEU operates as the premier one-stop-shop for connecting and empowering energy consumers with the resources to reduce costs, improve the environment and ensure energy independence for future generations.

The DESEU develops and implements energy efficient solutions, clean energy and air pollution reduction programs. These programs include funding, financing, and educational programs. In addition, we provide highly valuable technical and financial services to our clientele so that they can make informed decisions regarding their energy future.

The DESEU offers our programs by fully utilizing the authority granted by the State of Delaware to issue tax-exempt bonds, use Regional Greenhouse Gas Initiative (RGGI) funds, bank solar renewable energy credits (SRECs), and most recently offer programs funded by Delaware energy providers. The DESEU also utilizes private sector entrepreneurial strategies.

The DESEU focuses on building relationships with residents and businesses so that they are motivated to use less energy, generate clean energy and reduce harmful emissions. We serve people of all incomes and housing styles. We serve businesses, industries and institutions from all sectors. We apply our programs to new construction projects, the rehabilitation of existing buildings, transportation projects and innovative technologies.

A LETTER FROM THE CHAIRMAN AND EXECUTIVE DIRECTOR



State Senator Harris B. McDowell III



DESEU Executive Director Tony DePrima

Dear Delawareans,

Throughout 2015 the Delaware Sustainable Energy Utility continued to build on its many successes by expanding existing programs and introducing new ones. Our Oversight Board also approved several new policies and guidelines to improve internal and external operations. Overall, the DESEU continues its track record of providing real value to the State of Delaware through its energy efficiency and clean energy programs.

Our second Annual Report includes a page dedicated to each of our energy saving programs with updated supporting data, case studies and testimonials. We are especially proud to have initiated several programs for those Delawareans who are most financially vulnerable. The Annual Report includes our annual financial statement, annual energy savings statement, several pages that highlight new initiatives, and what we are looking forward to in 2016.

The DESEU has achieved several ambitious accomplishments for fiscal year 2015, including:

- Received Governor Markell's support for a second \$75 million energy efficiency bond issue in 2016
- Closed on a record amount of low interest loans
- Moved our offices to the Duncan Center in Dover
- Hired Suzanne Sebastian as Program Manager

- Adopted personnel and travel policies
- Implemented the Assisted Home Performance Program
- Implemented the Faith Efficiencies pilot program
- Completed the Cadmus Study that evaluated how we operate
- Created new program alliances with:
 - Catholic Charities
 - Interfaith Power & Light
 - The Philadelphia Energy Coordinating Agency (ECA)

The Delaware Sustainable Energy Utility is excited to serve Delaware businesses, non-profits, state agencies, local governments and residents with its Energize Delaware programs. We are dedicated to the goals of reducing energy consumption via energy efficiency, creating green jobs, reducing greenhouse gas emissions and pollution, all while saving our customers money and reducing our dependence on foreign oil.

With our array of funding mechanisms, we will continue to add more sustainable energy programs in 2016. We thank all Delawareans for our success!

Sincerely,

Sen. Harris B. McDowell III
Chairman

Anthony J. DePrima
Executive Director

***"I'm excited that we closed on over
\$11 million in energy efficiency and
renewable energy loans in 2015."***

Tony DePrima
Executive Director

2015 DESEU ACCOMPLISHMENTS



The Delaware Sustainable Energy Utility (DESEU) and its Energize Delaware programs have a proven track record of providing energy savings for Delaware's homes, businesses, non-profits and schools. Lowering operating costs, these programs make more money available for expansion and job growth while lowering greenhouse gas emissions. Many of our programs are designed to be cash positive from the point of implementation.

We are proud of the progress we've made during the 2015 calendar year. We've established new partnerships to broaden our program inventory, making energy savings programs accessible to even more Delawareans. We are now positioned as the single source for energy saving and clean energy programs in Delaware.

Here are some of our 2015 accomplishments:

- **Record loans for 2015**

Our low interest Revolving Loan Fund Program is entering its 5th year, and continues to grow. 2015 has been a record year, closing nine loans totaling \$11,431,708.

- **Green Light for 2016 Energy Efficiency Bond Issue**

The DESEU worked with Governor Markell's administration to develop parameters for a \$75 million bond issue to finance energy efficiency and renewable energy projects for schools and state agencies.

- **Assisted HPwES**

Through our new partnership with Catholic Charities, income-qualified Delawareans can now participate in the Home Performance with ENERGY STAR® program at a significantly reduced cost.

- **Cadmus study – evaluability**

The DESEU hired Cadmus, a nationally recognized energy consulting firm, to establish program targets and ensure the necessary functionality is in place to track and measure program performance. This study provided an evaluability assessment, a pilot program evaluation tool, benchmarking and creating operating, measurement and verification plans.

- **We've moved into a larger office**

Thanks to our success, we've outgrown our office space and moved to the Duncan Center in Dover. Our new address is 500 W. Loockerman St., Suite 400, Dover, DE 19904.

- **We've hired a Program Manager**

Suzanne E. Sebastian joined the Delaware Sustainable Energy Utility as Program Manager on June 1, 2015. She has over 30 years of experience managing energy programs in Delaware.

- **New policies**

We've adopted new policies for personnel and for travel reimbursement for attending national and regional conferences and events.

- **Completed a Green Bank Market Analysis**

A Green Bank is a public or quasi-public financing institution that provides low-cost, long-term financing for clean, low-carbon projects by leveraging public funds to attract private investment. The Coalition for Green Capital, a non-profit organization, analyzed what opportunities and barriers exist to form a "Delaware Green Bank" as a supporting DESEU subsidiary.

- **Zero Net Energy Manufactured Housing Pilot Program Study**

In 2014 VEIC was hired to study Zero Net Energy Manufactured Homes (ZNEMH) as an energy efficient housing option for low and moderate income Delawareans. A ZNEMH is a single-wide manufactured unit that produces as much energy through solar panels as it uses annually. The study concluded that there is a sufficient market to justify the costs of a pilot program. The DESEU completed Phase Two to develop a pilot program for replacement units for income qualified Delawareans who own their land and manufactured home.

DESEU has built new tactical alliances to bring our Energize Delaware programs to market. These include:

- **Catholic Charities:** A leader in providing social services to financially vulnerable Delawareans and ideally suited to assist in the administration of the new Pre-weatherization program to provide income qualifying services for the new Assisted Home Performance with ENERGY STAR program.
- **Interfaith Power & Light:** Their mission is to promote energy efficiency in houses of worship, making them an ideal partner for our new Faith Efficiencies pilot program.
- **Philadelphia Energy Coordinating Agency:** A leader in managing neighborhood energy centers in Philadelphia, this organization will study the feasibility of similar community energy centers in Delaware.

We are extremely proud of our achievements, growth and success in 2015. As we move into fiscal year 2016, the DESEU will build on its successes and launch new programs based on market demand.

Saving Energy Costs for Low to Moderate Income Families



Low income families spend between 20 and 25% of their income on energy. Therefore, the Board of Directors made it a priority to develop efficiency programs for financially vulnerable Delawareans.

An Ad Hoc Committee was formed to determine which energy programs would be the most advantageous. The committee held two focus groups that included social service providers, community leaders,

and energy providers. Also, University of Delaware interns researched national best practices for delivering programs to low and moderate income families.

In response to the findings of the Ad Hoc Committee, the following initiatives were launched in 2015:

- **Assisted Home Performance with ENERGY STAR Program:** Offers affordable energy audits and rebates covering up to 75% of the cost of energy efficiency improvements for income-qualified families. The program began in December 2015.
- **Pre-weatherization Program:** A high percentage of homes are deferred from the Delaware Weatherization Assistance Program (WAP) because of structural issues.

The DESEU is funding up to \$550,000 in grants for repair of structural deficiencies so that these homes will qualify for the WAP. Administered by Catholic Charities, this program is offered to families with incomes below the 200% poverty level. The program is set to begin in early 2016.

- **Zero Net Energy Manufactured Housing (ZNEMH) Study:** Because a large percentage of low and moderate income Delawareans live in mobile homes, the DESEU is designing a pilot program to provide affordable manufactured homes that produce as much energy from renewable sources as they use annually. Program design recommendations are expected in early 2016.
- **Community Energy Center Study:** Philadelphia has successfully funded Neighborhood Energy Centers to advise, educate and provide energy saving services to people in low and moderate income neighborhoods. The DESEU contracted with the Energy Coordinating Agency (ECA) of Philadelphia to determine the feasibility of similar Community Energy Centers in Delaware. Their recommendations are expected in 2016.



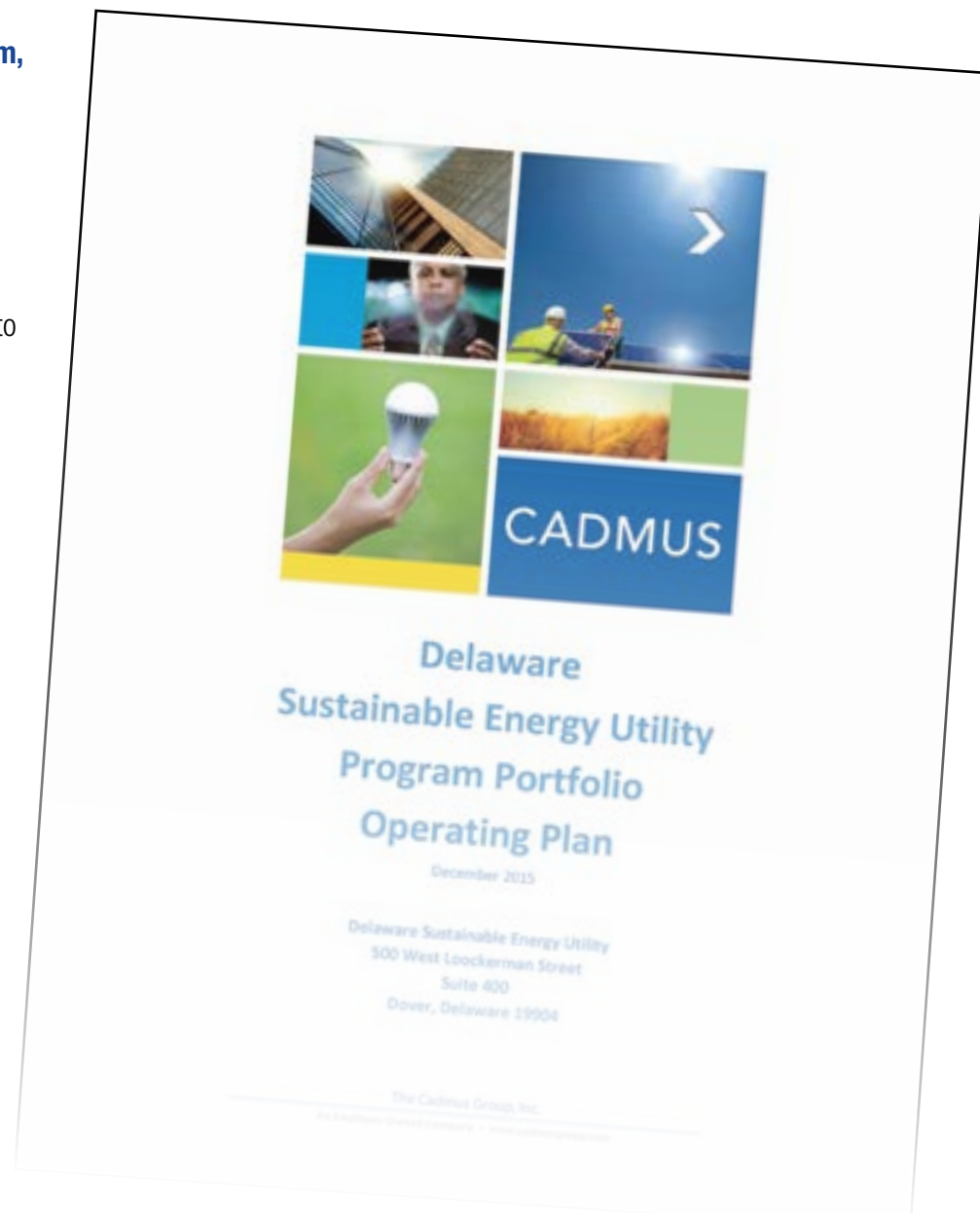
Cadmus Study

In 2014 the DESEU hired Cadmus, a nationally recognized energy consulting firm, to establish program targets and mechanisms to track and measure program performance. This study included an evaluability assessment, a pilot program evaluation tool, benchmarking tools, as well as creating an operating plan and measurement & verification (M&V) plan.

The study's conclusions lead to the following recommendations:

- Implement a pilot program evaluation tool to assess the costs and benefits needed to make decisions whether to transition pilot initiatives into full, standalone programs
- Establish an Evaluation, Measurement and Verification (EM&V) process to calculate targets for participation, energy savings, benchmarks and other program specific performance metrics
- Restructure programs to achieve immediate energy savings by weighing the costs and benefits of incorporating direct install measures into facility audits
- Eliminate or re-design the Green for Green program which is unlikely to produce substantive energy savings and benefits due to energy code changes
- Deploy a solid marketing plan for programs that target commercial customers

Implementing the recommendations of the Cadmus study will position the DESEU to be a stronger, more effective organization. In 2016, our stakeholders will see many of these changes take effect. Verified by the metrics provided by the EM&V process, these changes will result in increased program participation and energy savings.





An initiative of Delaware's Sustainable Energy Utility

2015 PROGRAMS

2015 ENERGIZE DELAWARE PROGRAM LIST

| PROGRAM | MARKETS SERVED |
|---|--|
| • Home Performance with ENERGY STAR® | Homeowners |
| • Energize Delaware Revolving Loan Fund | Businesses; non-profits |
| • SREC Upfront Purchase Program | Businesses; non-profits; schools; government |
| • Green for Green program | Homeowners |
| • Energy Assessments for Non-Profits and Government | Non-profits; government |
| • Pathways to Green Schools | Schools |
| • Energy Savings Performance Contracting and Bond Financing | Non-profits; schools; government |
| • Annual SREC Procurement Auction | Businesses; non-profits; schools; government |
| • Faith Efficiencies Partnership | Houses of Worship |
| • Assisted Home Performance with ENERGY STAR® | Low-income Homeowners |

Home Performance with ENERGY STAR® Program



The flagship Home Performance with ENERGY STAR® program is in its third year. A whole-house approach to improving comfort and safety in the home, it provides homeowners significant savings on their utility costs. Delaware homeowners learn ways to improve the energy efficiency of their homes through completion of a subsidized, comprehensive home energy audit performed by certified contractors.

After the audit, homeowners can make energy-saving improvements and take advantage of rebates that make the energy improvements more affordable. Homeowners also receive these energy-saving items (up to a \$220 value) at no additional cost: light bulbs, shower heads, faucet aerators, pipe insulation and smart power strips. Qualifying homeowners may also receive special 5.99% financing for energy-saving home improvements, up to \$25,000, through Renew Financial.

To support Delaware's new Downtown Development District initiative, the Home Performance program offers \$50 energy audits and higher rebates to property owners in the designated districts of Wilmington, Dover

and Seaford.

Assisted Home Performance with ENERGY STAR: Through a partnership with Catholic Charities, income-qualified Delaware residents can take advantage of a home energy audit and energy efficiency upgrades at a significantly reduced cost.

Rebates up to \$9,100 can cover up to 75% of the cost of upgrades. Homeowners are responsible for paying the remaining 25% of the cost.

| | | | |
|------------------------------------|-----------|------------------------------------|-------------|
| Program Start..... | May, 2014 | Annual Energy Savings..... | \$112,518 |
| Participating Households | 1,274 | Lifetime Energy Savings..... | \$1,524,817 |
| Rebates Awarded | \$614,520 | Tons of Air Emissions Avoided..... | 521 |
| Total Program Incentives Paid..... | \$632,045 | | |

JEFF & CHERYL BUCKWORTH'S HOME



"After hearing about Energize Delaware's Home Performance with ENERGY STAR® program, we decided to get a home energy audit. The audit was conducted quickly and professionally, and the report was delivered within ten days. The recommendations included additional insulation in our attic and the replacement of our twelve-year-old hot water heater. The projected monthly savings would be \$73.00. We then contacted a program approved contractor who handled the insulation improvements and recommended a contractor to

replace the hot water heater. The final contracts were exactly the same as the audit estimate. They handled all the paperwork required by Energize Delaware, and we received a rebate check for 40% of the total project cost within 30 days of the final report being filed. We are averaging a monthly savings of \$100.00, which will pay off our investment within three years. We are thrilled with the program and our results, and highly recommend the program to others!"

- Jeff and Cheryl Buckworth

Energize Delaware Revolving Loan Fund



The Energize Delaware Revolving Loan Fund has a track record of providing low-interest loans for businesses, non-profits, school districts and local governments to reduce their energy bills by improving the efficiency of their operations. 2015 was a record year, closing nine loans totaling \$11,431,708.

The program's appeal is the attractive return on investment (ROI). The loans are structured to be cash positive from day one, eliminating the financial risk of making recommended upgrades. Savings over the life of the project must be greater than the investment including financing.

The program's objective is to encourage the installation of end-user energy efficiency and customer-sited renewable generation and greenhouse gas reduction measures. The result is lower customer bills and reduced environmental impact.

Program Start..... 2011
Applications Received 4
Value of New Loan Applications\$1,898,104
Loans Closed 10

Value of Closed/Completed Loans\$6,121,529
Annual Energy Savings Closed Loans.....\$580,283
Closed Loans Lifetime Energy Savings....\$11,605,660

SILVER LAKE LIGHTING PROJECT



Through Energize Delaware's Revolving Loan Fund, Dover's Silver Lake Business Campus replaced its aging lighting systems with new, energy efficient lighting from Lumix, Inc. The net utility savings over the useful life of this project will offset the cost including installation and financing.

"It couldn't have been easier. Our situation had a lot of moving parts which made it challenging to structure the financing mechanism. The DESEU team simplified what we thought would be a very difficult process. We worked closely to overcome all obstacles to getting this project off the ground. I have great respect for the Delaware Sustainable Energy Utility.

- Daniel Goldberg, Asset Manager, Silver Lake Office Campus

Solar Renewable Energy Credit Upfront Purchase Program



Funded by the DESEU, the SREC Upfront Purchase Program is open to all Delawareans who install new 50 kW or lower photovoltaic (PV) solar systems.

This program provides an upfront payment of \$.45/watt (\$450/kW) in exchange for the first 20 years of solar renewable energy credits (SREC's) created by the system.

This program is initially funded at \$1.5 million per year for two years in an effort to encourage small PV construction projects in Delaware that create local green jobs.

| | | | |
|----------------------------------|-----------|--|---------------|
| Program Start..... | 2014 | Annual Tons of Air Emissions Avoided | 728 |
| Number of Systems Enrolled | 129 | Annual Solar Production..... | 1,554.31 MWH |
| Total SREC Purchase Costs | \$435,144 | Lifetime Solar Production..... | 31,086.24 MWH |
| kW of enrolled systems | 1,295.26 | Program Funds Reserved | \$1.5 million |

GREEN STREET SOLAR



“We’ve been taking advantage of the SREC Upfront Purchase program for over a year now and it is a nice cash value option to present to customers interested in solar systems. The SREC Delaware customer service department is very responsive and has helped us through the process. These are great programs that help us make it feasible for customers to adopt end-user solar systems, and we will continue to take advantage of it.”

- Derek Dykes, Green Street Solar

Green for Green Program



Developed jointly with the Home Builders Association of Delaware, this rebate program was available for new homes in Delaware’s designated growth areas and applied for by a participating home builder.

The program offered Delaware’s new home buyers rebates between \$1,000 to \$4,500 for homes upgraded to national standards for energy efficiency, water conservation, indoor air quality, building materials and other conservation-oriented, energy-saving features.

Average savings range from \$21 to \$47, or up to 36 percent on a monthly electric bill.

In 2015, the Green for Green Program was so popular that it reached its 2015-16 budget allocation by the end of August, causing the DESEU to put the program on hold. The program is currently under re-evaluation to determine ways to make it more effective.

| | | | |
|--|-------------------------------|---|--------------------|
| Program Start..... | 2013 | Annual Energy Savings..... | \$172,820 |
| Participating Households | 172 | Lifetime Energy Savings..... | \$3,456,400 |
| Active Home Builders | 7 Profit; 1 Non-Profit | Tons of Air Emissions Avoided..... | 744.41 |
| Rebates/Incentives Awarded..... | \$530,000 | | |

HABITAT FOR HUMANITY



Habitat for Humanity of New Castle County received a rebate check for \$20,300 for its participation in Energize Delaware’s popular Green for Green program. Habitat constructed seven new energy efficient townhouses in Wilmington, DE.

“We are the beneficiary of the Green for Green program that helps us build energy efficient houses by giving us the incentives necessary to offset the cost. We are very grateful to the State of Delaware, the Delaware Sustainable Energy Utility and the Homebuilders Association of Delaware who manages the program.”

- Kevin Smith, CEO, Habitat for Humanity of New Castle County

Energy Assessments for Non-profits and Government



Through its partnership with the University of Delaware’s award-winning Mid-Atlantic Industrial Assessment Center (IAC), the Delaware Sustainable Energy Utility funds energy assessments for large and medium size buildings operated by non-profits and government agencies in Delaware. The DESEU pays 90% of the cost.

The energy audits are done by University of Delaware graduate students under the supervision of IAC directors. The program offers energy savings solutions for a wide variety of buildings including senior centers, community

centers, churches, municipal buildings and firehouses. Savings between 20% and 30% are typically found after the installation of recommended upgrades.

| | | | |
|-----------------------------------|-----------|---|-------------|
| Program Start..... | 2013 | Lifetime Energy Savings Found | \$2,702,100 |
| Participating Non-profits..... | 10 | Tons of Air Emissions Avoidance Found | 894 |
| Annual Energy Savings Found | \$135,105 | Total Program Funding | \$100,000 |

MODERN MATURITY CENTER OF DOVER



The 2014 assessment for The Modern Maturity Center in Dover provided recommendations that lead to a number of energy saving improvements, including the installation of a solar thermal system funded by a DESEU Solar Thermal Grant. The system was installed In December, 2015 to heat its pool using solar energy.

“We’ve installed nearly all of the upgrades recommended by the IAC energy audit that was performed in 2014, including the solar thermal panels to heat our pool. The installers were professional and worked with minimal disruption to our facility. Overall, it was an awesome process, and I would highly recommend it to any non-profit facility that wants to save energy costs and put those savings into the fulfillment of their mission.”

- Carolyn Fredricks, President/CEO, Modern Maturity Center of Dover

Pathways to Green Schools



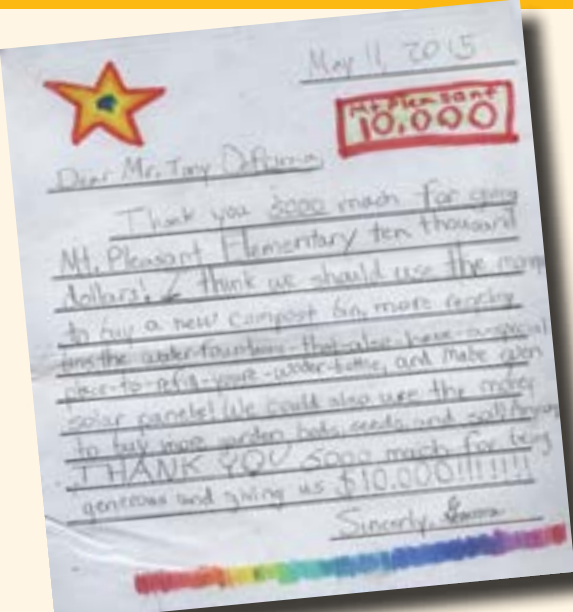
In its second year, the Delaware Valley Green Building Council administered program is benefiting from a new partnership with the National Wildlife Federation's Eco-Schools USA initiative. The Pathways program continues to assist schools to become energy efficient by providing financial incentives and volunteer support from subject matter experts.

Benefits include stipends for student eco-action or green teams, free energy audits and assistance with energy benchmarking in ENERGY STAR Portfolio Manager.

This program is part of the Delaware Valley Green Building Council's Green Schools Campaign which aims to put every child in a green school within a generation.

| | | | |
|---|------|---|-------------|
| Program Started | 2014 | Annual Energy Savings Found | \$203,705 |
| Participating Schools | 12 | Lifetime Energy Savings Found | \$4,074,100 |
| Schools Enrolled in Portfolio Manager | 6 | Tons of Air Emissions Avoidance Found | 1,542 |
| School Audits Complete | 5 | Total Program Funding | \$87,000 |
| Schools Received Awards | 5 | | |

MT. PLEASANT ELEMENTARY SCHOOL



Dear Mr. Tony DePrima,

Thank you sooo much for giving Mt. Pleasant Elementary ten thousand dollars! I think we should use the money to buy a new compost bin, more recycling bins, the water-fountains-that-also-have-a-special-place-to-refill-your-water-bottle and maybe even solar panels!

Thank you sooo much for being generous and giving us \$10,000.

Sincerely,

Gemma, Student at Mt. Pleasant Elementary

Energy Savings Performance Contracting Program



The DESEU has the authority to issue tax exempt bonds or low-interest loans to finance Energy Saving Performance Contracts (ESPC). Available to public agencies and schools, ESPC’s use utility cost savings to finance construction through pre-qualified Energy Services Companies (ESCO) that offer guaranteed energy savings.

In 2015, the Christina School District received a loan of \$5.3 million for energy efficient capital improvements. Projected guaranteed savings will be more than \$7 million over the next 20 years, and will reduce annual energy consumption by more than 32%.

Also in 2015, the DESEU worked closely with Governor Markell’s administration to draft a \$75 million bond issue for 2016 to finance energy efficiency and renewable energy projects for schools and state agencies.

| | | | |
|--|----------------------|--|----------------------|
| Program Start..... | 2011 | Total Construction Value..... | \$5.3 million |
| Number of Contracted State Agencies | 1 | Guaranteed Annual Energy Savings | \$290,950 |
| Overall Financing Interest Rate | 2% | Guaranteed Lifetime Energy Savings..... | \$7,352,601 |
| Bond (Loan) Term | 20 years | Tons of Air Emissions Avoided..... | 1,876.08 |
| Total Loan amount | \$5.3 million | | |

CHRISTINA SCHOOL DISTRICT



“We were very impressed with the seamlessness and simplicity of the process. Working with the DESEU we’ve targeted two schools for energy saving upgrades: Glasgow High School and Gauger-Cobbs Middle School. A recent American Federation of Teachers study on green schools revealed that sustainable educational institutions have 5 to 17 percent higher student achievement levels. Coupled with \$7 million in guaranteed energy savings, this is a win-win for everyone.”

- Demeter Picciotti, Facilities Services Manager, Christina School District

Annual SREC Procurement Auction



The DESEU manages the annual Solar Renewable Energy Credits (SREC) auction on behalf of Delmarva Power in accordance with rules set by the Delaware Public Service Commission. The auction provides a market for solar system owners to sell their SRECs through long-term contracts to Delmarva Power, protecting ratepayers from above market SREC pricing. Delmarva Power is the largest procurer of SREC's in Delaware.

The DESEU operates the program and plans to run at least one solicitation each spring as an online auction in order to fulfill Delmarva's long-term SREC needs. Facilities may qualify for a 10% SREC bonus if built with Delaware labor.

| | |
|---|-----------------|
| Program Started | 2012 |
| Auction Bids Received | 483 |
| SRECs Bid into Auction | 14,062 |
| Auction Bids Accepted | 396 |
| SRECs Accepted | 11,891 |
| Value of all SREC Transactions | \$1,023,143/ |
| year first 10 years; \$415,185/year last 10 years (20 | year contracts) |

WILMINGTON PUBLIC WORKS



The City of Wilmington installed nearly 2,300 solar panels at their largest water filtration plant, Porter Reservoir. The 526 kW ground-mounted solar array will generate about 25 percent of the power needed to run the plant which saves the City about \$60,000 a year in electricity costs. The City also receives approximately \$120,000 a year through the sale of renewable energy credits.

“As a municipality, the City of Wilmington appreciates the long-term income stability of selling SREC’s to the Delaware SREC Auction. This makes our budgeting projections more accurate because the income is guaranteed for twenty years, protecting us from market fluctuations. Overall, working with the DESEU was a great experience. They simplified the process, saving us a great deal of time and money.”

- Jeff Starkey, Commissioner of Public Works, City of Wilmington

Energize Delaware Program Results

| Energy Savings Data | | | | | |
|--------------------------------|--------------------------|----------------------------|---|---|---|
| Program | Energy Savings Annual | Energy Savings Lifetime | Gross Energy Savings (MMBTU) Annual | Gross Energy Savings (MMBTU) Lifetime | Annual Emissions Avoided* Metric Tons |
| Green for Green | \$ 186,493 | \$ 3,729,860 | 5,110 | 102,192 | 811 |
| Home Performance | 112,518 | 1,524,817 | 3,987 | 58,262 | 521 |
| Revolving Loan | 580,283 | 11,605,660 | 17,168 | 343,350 | 3,759 |
| Energy Performance Contracting | 290,950 | 5,819,000 | 12,479 | 249,580 | 1,876 |
| SREC Purchase | N/A | N/A | 3,325 | 66,498 | 728 |
| Total Savings | \$ 1,170,244 | \$ 22,679,337 | 42,068 | 819,881 | 7,695 |

| Savings Found through Energy Audits | | | | | |
|-------------------------------------|--|--|---|---|---|
| Program | Potential Energy Savings (\$) Annual | Potential Energy Savings (\$) Lifetime | Potential Gross Energy Savings (MMBTU) Annual | Potential Gross Energy Savings (MMBTU) Lifetime | Annual Emissions Avoided* Metric Tons |
| Energy Audits for Non Profits | \$ 135,105 | \$ 2,702,100 | 6,155 | 123,097 | 894 |
| Pathway to Green Schools | 203,705 | 4,074,100 | 14,525 | 290,491 | 1,542 |
| Faith Efficiencies | 35,012 | 700,248 | TBD | TBD | TBD |
| Total Savings | \$ 373,822 | \$ 7,476,448 | 20,679 | 413,588 | 2,436 |

*The emissions avoided include CO₂, SO₂ and NO_x emissions.

Looking Forward

A number of new Energize Delaware initiatives are in the works for 2016.

- **2016 Bond Issue** - The DESEU worked with Governor Markell's administration to develop parameters for a \$75 million bond issue to finance energy efficiency and renewable energy projects for schools and state agencies. The bonds are expected to be issued in the summer or fall of 2016. During the first half of the year, we will work with school districts and agencies to develop the most beneficial energy saving projects.
- **The Pre-Weatherization Home Improvement Assistance Program** – A high percentage of homes are deferred from the Delaware Weatherization Assistance Program (WAP) because of structural issues. The DESEU is funding up to \$550,000 in grants for repair of structural deficiencies so that these homes will qualify for the WAP. Administered by Catholic Charities, this program is offered to families with incomes below the 200% poverty level. The program is set to begin in early 2016.
- **Assisted Home Performance Program** – Offering lower audit costs and higher rebates, this program will be fully operational in 2016 to serve income-qualified Delawareans left unserved by Delaware's WAP program.

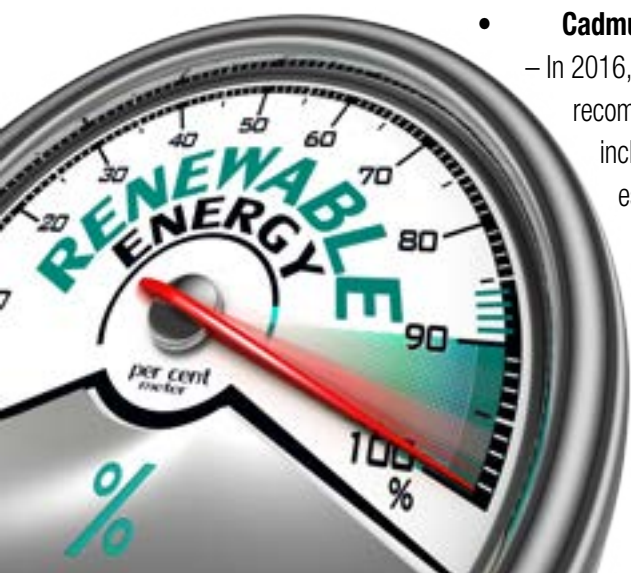
- **Cadmus Study Recommendations**

- In 2016, the DESEU will implement recommendations of the Cadmus study, including a pilot evaluation program, establishing program benchmarks, redesigning the Green for Green program and developing a commercial marketing program.

- **Green Bank Study Recommendations** – The non-profit Coalition for Green Capital conducted

an analysis to determine what opportunities and barriers exist to establish a Green Bank in Delaware. The DESEU Board will consider the study's recommendations in early 2016.

- **Zero Net Energy Manufactured Housing (ZNEMH) Study Recommendations** – Zero Net Energy Manufactured Homes (ZNEMH) are an energy efficient housing option for low and moderate income Delawareans. A ZNEMH is a single-wide manufactured unit that produces as much energy through solar panels as it uses annually. The study concluded that there is a sufficient market to justify the cost of a pilot program. In 2016, the DESEU will consider the recommendations for a pilot program for new and replacement units for income qualified Delawareans who own their land and manufactured home.
- **Support for Expanded Utility Programs** – In 2016 under amendments to the Delaware Energy Act, Natural Gas and Electric Utilities are required to develop plans to expand energy efficiency programs. The DESEU will develop a coordinated marketing platform and will offer RGGI funded programs designed to complement the new utility programs. The DESEU will focus on programs that are accessible to Delawareans who are most financially vulnerable.
- **Community Energy Center Study Recommendations** – Philadelphia has successfully funded Neighborhood Energy Centers that advise, educate, and provide energy saving services for people in low to moderate income neighborhoods. The DESEU contracted with the Energy Coordinating Agency of Philadelphia to determine whether similar centers are feasible in Delaware. Their recommendations are expected in 2016 and will be considered by the DESEU Board for implementation in the second half of the year.
- **Property Assessed Clean Energy (PACE) Legislation** – PACE allows for voluntary clean energy financing through commercial property assessments. Because PACE programs have been successful in other states, the DESEU and the DE Division of Energy and Climate are drafting legislation for consideration in 2016.



Delaware Sustainable Energy Utility Financial Statement

Below are comprehensive financial statements excerpted from the DESEU fiscal year (ending June 2015) audit performed by the accounting firm of Whisman, Giordano & Associates LLC, Certified Public Accountants, Newark, Delaware. Complete audited statements are available at www.energizedelaware.org.

| Balance Sheet as of June 30th, 2015 | |
|---|-----------------------|
| Assets | |
| Cash and Investments | \$ 35,925,640 |
| Program Receivables | \$ 69,380,045 |
| Program Loans Receivable, net | \$ 1,786,824 |
| Fixed Assets, net | \$ 1,704,796 |
| Limited Use Assets Held by Trustee | \$ 2,682,774 |
| Total Assets | \$ 111,480,079 |
| Liabilities and Net Assets | |
| Accounts Payable | \$ 3,896,614 |
| Bonds Payable | \$ 67,323,098 |
| Net Assets | \$ 40,260,367 |
| Total Liabilities & Net Assets | \$ 111,480,079 |

| Statement of Revenue and Expenses as of June 30th, 2015 | |
|---|----------------------|
| Revenue | |
| Program Service Revenue | \$ 2,856,071 |
| State of Delaware Contract-RGGI | \$ 13,298,573 |
| Other Income | \$ 196,013 |
| Total Revenue | \$ 16,350,657 |
| Expenses | |
| Program Activities | \$ 5,678,722 |
| Support Services | \$ 2,266,948 |
| Total Expenses | \$ 7,945,670 |
| Increase in Net Assets | \$ 8,404,987 |

Delaware Sustainable Energy Utility Oversight Board & Staff



Senator Harris B. McDowell III
Chair and Co-Founder
Delaware State Senator



Kristopher E. Knight
Treasurer/Secretary
Director of Accounting, State of DE



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Vice-Chairman
Manufacturer of Energy Devices



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Secretary, DE Dept. of Natural Resources and Environmental Control



Rob Underwood
Ex-Officio Member
DE Division of Energy and Climate



Pamela Bakerian
Executive Director, Delaware State Farm Bureau



W. Charles Paradee III
Delaware House of Representatives



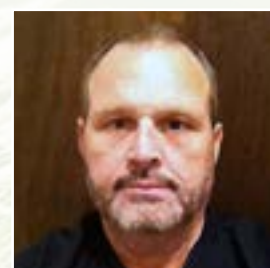
David Bonar
Delaware Public Advocate



Sean Finnigan
Chief of Staff, Delaware House of Representatives



Dr. Syed Ismat Shah
Sr. Policy Fellow at the Institute of Energy and Environment Policy, UD



Joseph Schorah
Board Member



Nnamdi Chukwuocha
Wilmington City Councilman



Dr. John Byrne
Hon. Member & Co-Founder UD Ctr. for Energy and Environ. Policy



Frank Murphy
General Counsel



Tony DePrima
Executive Director



Suzanne Sebastian
DESEU Program Manager



Lisa Gardner
Office Manager



Alyssa Bruner & Hanna Deblauwe
University of Delaware Interns

Delaware
Sustainable
Energy Utility



Energize
Delaware



An initiative of Delaware's Sustainable Energy Utility

The Sustainable Energy Utility and Energize Delaware

The **Delaware Sustainable Energy Utility** is a unique non-profit organization offering a one-stop resource through its **Energize Delaware** programs to help residents, businesses, non-profits and government save money through clean energy and efficiency. The DESEU was created in 2007 by the State of Delaware to foster a sustainable energy future.

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