



2018 ANNUAL REPORT



**ENERGIZE
DELAWARE**

TAKING CHARGE TOGETHER.™



ChargePoint EV Dual Port Charging Station

ENERGIZE DELAWARE VISION AND MISSION STATEMENTS

DELAWARE SUSTAINABLE ENERGY UTILITY VISION STATEMENT

The Delaware Sustainable Energy Utility (DESEU) will be the leading organization in the state of Delaware in offering cost-effective opportunities for energy savings, creating new markets for customer-sited renewable-energy generation, and reducing the environmental impacts of energy production and use.

The DESEU's efforts will create 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 the authority it's been granted by the state of Delaware as well as private sector entrepreneurial strategies.

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

DELAWARE SUSTAINABLE ENERGY UTILITY MISSION STATEMENT

The DESEU, a 501(c)(3) nonprofit organization, serves Delawareans by promoting the use of affordable, reliable clean energy and energy-efficiency through its Energize Delaware initiatives. Energize Delaware 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.

Energize Delaware develops and implements energy-efficient solutions as well as 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 clients so that they can make informed decisions regarding their energy future.

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

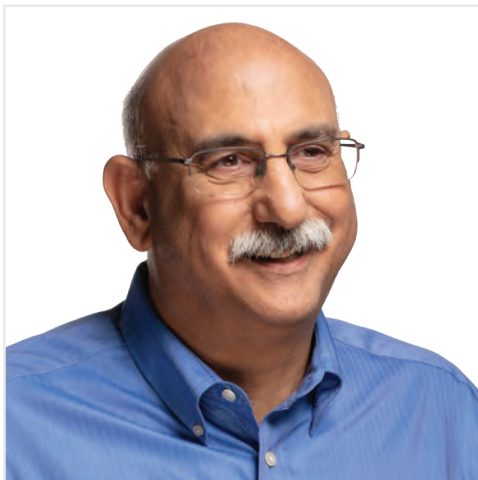
Energize Delaware focuses on building relationships with residents and businesses so that they are motivated to use less energy, generate clean energy and reduce harmful emissions. We serve people of all incomes and housing styles. We serve businesses, industries and institutions from all sectors.

We apply our programs to new construction projects, the rehabilitation of existing buildings, transportation projects and innovative technologies.

A LETTER FROM THE CHAIRMAN AND THE EXECUTIVE DIRECTOR



State Senator Harris B. McDowell III
Chairman



Anthony J. DePrima, PhD
Executive Director

DEAR DELAWAREANS,

The first thing you will notice in this year's annual report is that we are now calling our organization "Energize Delaware" instead of the Delaware Sustainable Energy Utility Inc. This is part of our new branding strategy. We think Energize Delaware is a name that Delawareans can remember and relate to better.

Throughout 2018, Energize Delaware continued its 10-year track record of providing value to Delaware through its energy-efficiency and clean-energy programs. We continued to sustain and strengthen our popular programs, while reimagining programs that were not reaching their potential.

This annual report includes pages about each of our energy-saving programs. It also includes our annual financial statement, annual energy-savings tables and our hopes for 2019.

Energize Delaware achieved several accomplishments in 2018:

- Permanent long-term bond financing for \$19 million in energy-saving contracts was arranged.
- We received the ENERGY STAR® Partner of the Year Award.
- After we led a two-year campaign, Commercial Property Assessed Clean Energy legislation was enacted.
- 2018 was our 10th anniversary as a nonprofit corporation. A grand dinner was held to celebrate.
- An Electric Vehicle Charging Station was installed at our office, and a Chevy Bolt EV was purchased.
- Funded "Lights On" programs in downtown Dover and Seaford, improving energy safety and efficiency.
- Completed design of the new Home Energy Counseling and Checkup (HEC2) program.

Energize Delaware is excited to continue serving Delaware businesses, nonprofits, state agencies, local governments and residents through our Energize Delaware programs. We are dedicated to the goals of reducing energy consumption via energy efficiency, creating green jobs and reducing greenhouse gas pollution, all while saving our customers money and reducing our dependence on foreign oil.

We thank all Delawareans for our 10-year success story!

Sincerely,

State Senator
Harris B. McDowell III
Chairman

Anthony J. DePrima, PhD
Executive Director

2018 ENERGIZE DELAWARE ACCOMPLISHMENTS

Energize Delaware programs have a proven track record of providing energy-savings for Delaware's homes, businesses, nonprofits, state agencies and schools. These programs aid business expansion and job growth through energy-saving and green-energy projects. These projects reduce operating costs and lower greenhouse gas emissions.

We are proud of the progress we made during 2018. We've established new partnerships to broaden our program inventory, making energy-saving programs accessible to even more Delawareans.

- September 2018 marked our 10th anniversary as a nonprofit corporation. To celebrate, we hosted an anniversary dinner with 100 of our friends and supporters. At this dinner, we unveiled the Harris B. McDowell III Energy Champion Award and gave the first award to its namesake.
- After a two-year effort by a coalition of advocates led by Energize Delaware, legislation to establish a Commercial Property Assessed Clean Energy program was enacted. This will be an important new tool for private sector financing for renewable-energy and energy-saving projects. Energize Delaware is proud to be the program administrator and looks forward to its start-up in 2019.
- An Energize Delaware brand awareness campaign was fully designed, including new logos, taglines, videos and web design, as well as complete print, radio, outdoor and social media advertising efforts. The goal is to make more Delawareans aware of the good work that we do. You will see our new logo used in this annual report, and all other parts of the plan will be rolled out to the public in early 2019.
- \$19 million energy-efficiency bond financing for energy-saving performance contracts was arranged during the second half of 2018. These bonds will finance energy-efficiency improvements for the Delaware Department of Health and Human Services, Indian River School District and Colonial School District. The bonds will be finalized in early 2019.
- A Class 2 Electric Vehicle Charging Station was installed at the Duncan Center, where our offices are located. It is open for public use and for use by Energize Delaware for its new 100% electric Chevy Bolt.
- In partnership with the HELP Initiative Inc., we helped fund two "Lights On" programs to bring LED porch lights and solar-powered security lights to homes in downtown Seaford and Dover. The goal of this effort was to bring efficient lighting and energy education to homes in these two towns.
- Completed the program design for the new Home Energy Counseling and Checkup (HEC2) program, which will roll out in early 2019. This program will replace the Community Energy Center pilot program that was ended in the fall of 2018. The HEC2 program will bring energy-savings education and counseling to families most in need, while also providing them with an energy-efficiency checkup of their home.



2018 ENERGIZE DELAWARE PROGRAMS

PROGRAM	MARKETS SERVED
Home Performance with ENERGY STAR®	Homeowners, Low-Income Homeowners
Home Energy-Efficiency Loans	Homeowners
ZeMod (Zero Energy Modular Homes)	Low- to Moderate-Income Delawareans
Pre-Weatherization	Low-Income Homeowners
Affordable Multifamily Housing	Affordable Housing Providers
Energy Assessments for Nonprofits and Local Government	Nonprofits, Local Government
Low-Interest Revolving Loan Fund	Businesses, Nonprofits, Government
Energy-Savings Performance Contracting and Bond Financing	Public Schools, Government
Energy-Efficiency Investment Fund (EEIF) Support	Nonprofits, Local Government
Pathways to Green Schools	Public and Private Schools
Faith Efficiencies	Houses of Worship
Farm Program	Farmers, Agricultural Operations
Residential Solar Loans	Homeowners
SREC Procurement Auction	Homeowners, Businesses, Nonprofits, Schools, Government
Lights On Program	Renters and Homeowners

HOME PERFORMANCE WITH ENERGY STAR® PROGRAM

The flagship Home Performance with ENERGY STAR® program is going into its sixth 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 assessment performed by certified contractors. They also receive up to \$200 of energy-saving items, such as LED light bulbs and pipe insulation.



Century Club Award
Winners

MIKE CORDREY



After the assessment, homeowners who make recommended energy-saving improvements can take advantage of rebates that make the energy improvements more affordable.

Qualifying homeowners may also receive special 5.99 percent financing for energy-saving home improvements—up to \$30,000—through the Energize Delaware Energy-Efficiency Residential Loan Program.

Reduced assessment costs and increased rebates are available to income-qualified Delawareans as well as property owners in the state’s Downtown Development Districts.

In 2018, Franklin Energy Services became the program implementer, opening an office in Delaware and hiring five staff members. Four of our participating contractors were recognized by the U.S. Department of Energy and received the Century Club Award for installing more than 100 projects in 2017. We have established a Best Practices Working Group with six participating contractors elected by their peers to continue to review and evaluate program design and delivery.

Program Start.....	2014	Lifetime Energy Savings	
2018 Home Assessments Completed.....	1258	Audits & Jobs Combined.....	\$7,474,363
2018 Homeowners receiving rebates.....	890	Tons of Air Emissions Avoided (metric tons)	
Rebates/Incentives Awarded		Audits & Jobs Combined.....	1,875
Audits & Jobs Combined.....	\$1,802,075	FY 19 Program Budget.....	\$3,200,000
Annual Energy Savings			
Audits & Jobs Combined.....	\$373,718		

“Energize Delaware did an energy audit on my 115-year-old home. They outlined my home’s strengths and weaknesses, and recommended energy-saving updates. In a rarely used third-floor room that was formerly the attic, I added a mini-split heater and an air conditioning unit to replace the inefficient electric baseboard heaters and window unit air conditioner. With the Energize Delaware program, I financed the updates through a 10-year loan at a competitive interest rate. Now the third-floor room is the most comfortable in the house!”

— Mike Cordrey, Wilmington homeowner

ZEMOD (ZERO ENERGY MODULAR HOMES)



The Solstice Model Home

ZeMod Delaware is a unique new housing option for Delawareans, offering highly energy-efficient, solar-powered modular homes. Built by Beracah Homes, in Greenwood, Delaware, these zero-energy homes produce as much energy as they use, which means no electric or fuel costs.

ZeMod homes feature super-insulated walls, doors and windows; an all-electric HVAC system that incorporates efficient heat-pump technology; ENERGY STAR®-rated appliances and lighting; and rooftop solar.

Energize Delaware provides energy-efficiency incentives and down-payment assistance for income-qualified buyers to ensure the affordability of the homes for low- to moderate-income Delawareans.

Two models are available: the 980-square-foot ranch-style Solstice and the 1,204-square-foot cottage-style Sundial.

These homes can be designed and built for anyone interested in a ZeMod home.

THERESA MULEGWA



"The ZeMod program has truly been a blessing to me. For seven years, I lived in Section 8, and constantly feared losing my assistance or having my electricity cut off because I could not pay my electric bill. I applied to the ZeMod program so that I won't have to go through that stress again.

The ZeMod home I toured in Harrington is beautiful, and I appreciate its energy-efficient features, especially the solar power and ductless heating and cooling. I can't wait to start my new life as a ZeMod homeowner!"

— Theresa Mulegwa, future ZeMod homeowner

PRE-WEATHERIZATION PROGRAM

The Pre-Weatherization Program helps low-income families in Delaware prepare their homes to meet the requirements for the state of Delaware’s Weatherization Assistance Program.



Vivian and Dan,
Program Managers

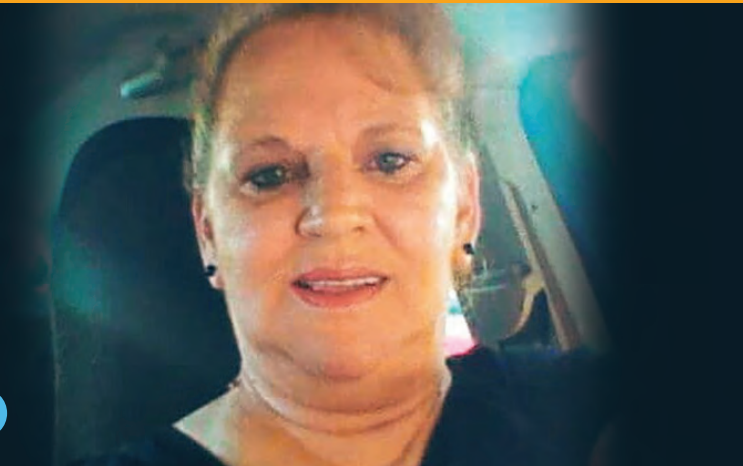
Many potential Weatherization Assistance Program (WAP) clients cannot afford the structural home repairs needed to qualify their home, and therefore lose the ability to participate in weatherization assistance.

Participants whose properties have been deferred by WAP for structural reasons are referred to Energize Delaware’s Pre-Weatherization Program.

Energize Delaware provides funding to pay for the repair of the structural issues, such as a leaky roof, broken windows and doors, and moisture in crawl spaces. The Pre-Weatherization Program will inspect homes, hire contractors, schedule repair work and perform a quality assurance check post-inspection, then readmit these units into the WAP.

Program Start.....	2015	Average Incentive to Clients.....	\$3,500
Participants/Clients Served in 2018.....	101	FY 19 Program Budget.....	\$723,000
Participants Completing Full Weatherization from Start of Program	213		

TERRI COMEGYS



“We are very grateful for the assistance received in repairing and weatherizing our home. Dan was very informative, addressing our concerns so that the project could move forward. Vivian referred us to Milford Housing Development Corporation, who provided resources to replace our roof so that our home could have repairs completed by the Pre-Weatherization Assistance Program and then receive weatherization assistance. The contractors did an excellent job. We are very pleased with the services provided, and the Catholic Charities staff is amazing!”

— Terri Comegys, Dover, Delaware

AFFORDABLE MULTIFAMILY HOUSING

The Energize Delaware Affordable Multifamily Housing Program helps building owners identify, plan and implement energy-efficiency and renewable-energy upgrades in existing buildings and new construction projects.



Our Lady of Grace Groundbreaking,
Newark, Delaware

Developed by DESEU, New Ecology Inc., and Elevate Energy, the multiyear program provides technical assistance, financial incentives and low-cost financing to help affordable multifamily building owners make energy-efficiency and renewable-energy investments that save money on operating costs, reduce energy use and improve the living environment for Delaware’s low- to moderate-income residents.

The Program offers a customized, whole-building approach that addresses all utilities and pursues possible upgrades to the building envelope, HVAC and hot water equipment, in-unit and common-area lighting, energy-saving appliances, renewable-energy generation, qualified health and safety measures, and water-saving fixtures and equipment. Buildings in this program can take several years to complete the whole process.

Program Start.....	2017	Tons of Air Emissions Avoidance Found	
Participants	7	(metric tons)	220
Annual Energy Savings Found	\$81,000	FY19 Program Budget.....	\$400,000
Lifetime Energy Savings Found	\$1,620,000		

MARY CAMPBELL CENTER

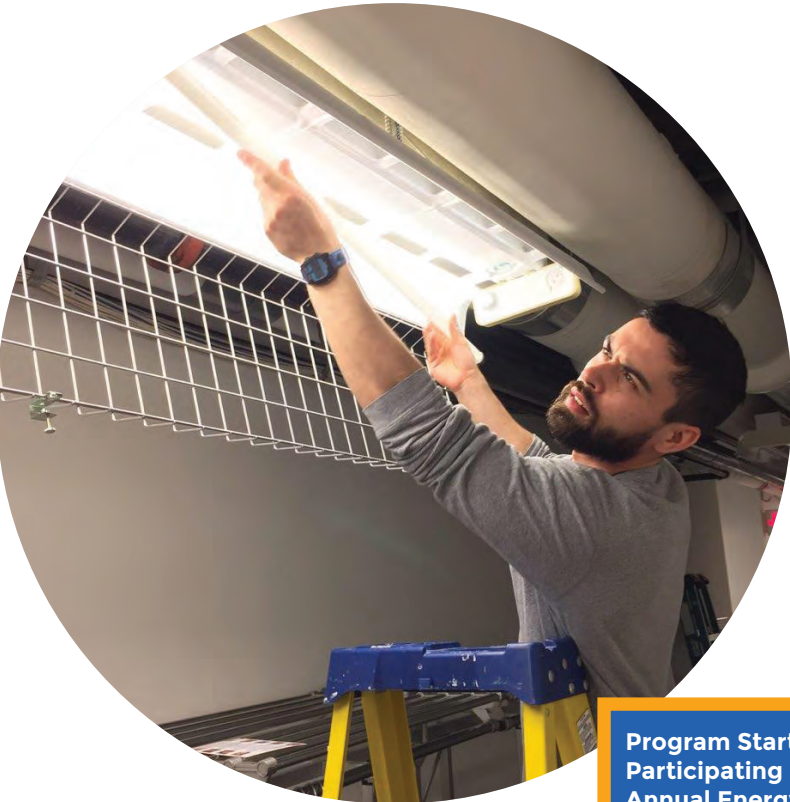


“Through Energize Delaware, the Mary Campbell Center is moving forward with several energy-efficiency and renewable-energy improvements to cut operating costs and improve building durability and indoor comfort for residents. The property will benefit from a lighting upgrade, air sealing and insulation, and a solar-thermal system.

“The Mary Campbell Center is a home for children, young adults and adults with disabilities. Through Delaware’s Affordable Multifamily Housing Program, we are thrilled to implement energy improvements that will benefit our residents and reduce our costs. With New Ecology’s help, we identified strategies that work for us and got the technical support to implement them properly.”

— Mike Pappas, Facilities Manager, Mary Campbell Center

ENERGY ASSESSMENTS FOR NONPROFITS AND GOVERNMENT



UD student installing IAP lights
donated by Philips Lighting

Through its partnership with the University of Delaware’s award-winning Mid-Atlantic Industrial Assessment Center (IAC), Energize Delaware funds energy assessments for large and medium-size buildings operated by nonprofits and local governments in Delaware. Energize Delaware pays 90 percent of the cost.

The energy assessments are done by University of Delaware graduate students, under the supervision of IAC directors.

The program offers energy-saving solutions for a wide variety of buildings, including senior centers, community centers, churches, municipal buildings and firehouses. Savings between 20 and 30 percent are typically found after the installation of recommended upgrades.

Participants in this program often go on to take advantage of the Energy-Efficiency Investment Fund and the Energize Delaware Low-Interest Revolving Loan Fund.

Program Start.....	2013	Tons of Air Emissions Avoidance Found	
Participating Nonprofits.....	16	(metric tons)	3,125
Annual Energy Savings Found	\$547,085	FY 19 Program Budget.....	\$104,000
Lifetime Energy Savings Found	\$10,941,700		

RONALD MCDONALD HOUSE OF DELAWARE



“The assessment from this program has been of great help to us and allows us to focus on the most important measures. We have put many of the recommendations in our 2019 capital budget and hope to be implementing them soon.”

— Katie Soja Johnson, Operations Director, Ronald McDonald House of Delaware

LOW-INTEREST REVOLVING LOAN FUND

The Energize Delaware Low-Interest Revolving Loan Fund has a track record of providing low-interest loans for businesses, farms, nonprofits, school districts and local governments to reduce their energy bills by improving the efficiency of their operations. 2018 was another strong year, with 15 loans totaling \$7,821,694. The average loan size was \$521,000; however, they ranged from \$2 million loans for office buildings in Wilmington to a \$15,575 loan for a farm in Sussex County. Nine of the loans this year were associated with farms participating in the Energize Delaware Farm Program.



State Senator Harris B. McDowell III
touring IPR, who received a \$1 million loan

The program’s appeal is the attractive return on investment (ROI). The loans are structured to be cash positive from day one. 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 energy-efficient and customer-sited renewable generation and greenhouse gas reduction measures. The result is lower customer utility bills and reduced environmental impact.

Program Start.....	2011	Lifetime Energy Savings of Loans in Repayment (EE+RE)	\$14,764,540
Applications Received	23	Capacity of Solar PV Systems to be Installed (RE projects)	1,258.58 KW
Value of New Loan Applications	\$10,254,010	Tons of Air Emissions Avoided (metric tons) from Loans in Repayment.....	6,223
Loans in Repayment	17	FY 19 Program Budget.....	\$11,000,000
Value of Loans in Repayment.....	\$11,078,569		
Annual Energy Savings of Loans in Repayment EE+RE)	\$738,227		

HOT WINGS FARM



“Before installing solar, the farm’s electric bills varied a lot and could exceed \$4,000 a month. Now that we’ve installed solar, we have a much more consistent and manageable payment, and feel good about reducing our fuel usage and CO2 emissions. It has been a pleasure working with Energize Delaware!”

— Stephen Collier, Hot Wings Farms

ENERGY-SAVINGS PERFORMANCE CONTRACTING

Energize Delaware has the authority to issue tax-exempt energy-efficiency bonds or low-interest loans to finance Energy-Savings Performance Contracts (ESPC). Available to state agencies and school districts, ESPCs use utility cost savings to finance construction through prequalified Energy Services Companies (ESCO) that offer guaranteed energy-savings.



Indian River School District
Administrative Offices

Throughout 2018, work progressed on making bond financing available for the Delaware Department of Health and Social Services, Indian River School District and Colonial School District. Project costs for the three agencies totaled \$19,091,952. The funds are being used to pay for energy-efficient lighting, heating and air conditioning, and smart controls, among other efficiency measures. All three agencies used bridge loans directly from Energize Delaware to allow construction work to proceed in 2018. In December 2018, Energize Delaware’s proposed Energy-Efficiency Revenue Bond received an AA+ Bond Rating from Standard & Poor’s. Permanent bond financing for the three agencies is expected to be in place in early 2019.

Program Start.....	2011	Guaranteed Average Annual	
Contracted State Agencies & School Districts	3	Energy Savings	\$1,670,968
True Interest Cost (TIC).....	3.22%	Guaranteed Average Lifetime	
Bond (Loan) Term.....	20	Energy Savings	\$33,419,360
Total Loan Amount	\$19,091,952	Tons of Air Emissions Avoided (metric tons)	8,475

INDIAN RIVER SCHOOL DISTRICT



“The Indian River School District takes pride in developing new ways to conserve energy and save money. Some of the fascinating items found in our Investment Grade Audit will help us not only manage our resources better, but also create a better learning environment for our students. Energize Delaware has put together a partnership that will move our district to the forefront of energy-dollar management.”

— Mark Steele, Superintendent, Indian River School District

ENERGY-EFFICIENCY INVESTMENT FUND SUPPORT FOR NONPROFITS



Frankford Fire Station

Administered by DNREC’s Division of Climate, Coastal, & Energy, the Energy-Efficiency Investment Fund (EEIF) provides grants to Delaware businesses, local governments and nonprofits to help replace aging, inefficient equipment and systems with energy-efficient alternatives.

Energize Delaware provides funds to expand the program to cover nonprofit organizations as well as local governments that were previously excluded.

Prescriptive grants are available for high-efficiency natural gas heating and water heating equipment, energy-efficient lighting and lighting control improvements, vending improvements, and more. The program also offers incentives for energy assessments, as well as custom incentives for unique energy-efficiency projects that do not qualify for a prescriptive grant.

Program Start.....	2016	Lifetime Energy Savings	\$3,229,060
Participating Nonprofits.....	17	Tons of Air Emissions Avoided (metric tons)	1,106
Rebates/Incentives Awarded	\$193,164	FY 19 Program Budget.....	\$500,000
Annual Energy Savings	\$161,453		

FRANKFORD VOLUNTEER FIRE COMPANY



“When the Frankford Volunteer Fire Company learned about the lighting improvements made by the Selbyville Fire Company, they decided to pursue similar improvements at their firehouse.

“We replaced both outside and inside lighting with LED light fixtures, making the firehouse brighter and safer. Best of all, the energy savings we’ve seen have allowed us to reduce our budget for electricity.”

— Robbie Murray, President, Frankford Volunteer Fire Company

PATHWAYS TO GREEN SCHOOLS



2018 Pathways participants

Administered by Green Building United, the Pathways program continues to assist schools in becoming energy efficient by providing mini grants for student eco-action and green team projects, free energy audits, and assistance with energy benchmarking in ENERGY STAR® Portfolio Manager.

Practical Energy Solutions provides participating schools with energy audits that include student participation and collaboration with teachers on energy curriculum.

Warner Elementary School, one of our participating schools, won the U.S. Department of Education Green Ribbon Schools Award in 2018.

Program Start.....	2014	Schools Receiving Awards	10
Participating Schools (cumulative since start of program).....	37	Annual Energy Savings Found	\$268,170
Schools Enrolled in Portfolio Manager (cumulative).....	25	Lifetime Energy Savings Found	\$5,363,400
School Audits Complete	6	Tons of Air Emissions Avoidance Found (metric tons)	1,553
		FY 19 Program Budget.....	\$122,000

URSULINE ACADEMY



“Our students entered the New Castle County Conservation District’s poster contest. This year the posters were about preserving our watersheds, and three of our students took first place, second place and honorable mention, respectively. The Pathways to Green Schools program has made our school much more aware of the need to reduce our waste consumption, to save energy and to eat healthier. The program’s mini grants have helped us purchase three water bottle refilling stations that have increased our use of reusable bottles, as well as LED replacement bulbs that reduce our electricity usage. The support we receive from the program is absolutely helping us reach our goal of becoming a “greener” community.”

— Meg Kane-Smith, Educator and Green Team Lead, Ursuline Academy

FAITH EFFICIENCIES

The Faith Efficiencies program provides a wide range of energy resources, including energy audits, remediation strategies, funding options and ongoing cost-saving energy education to faith communities throughout the state.



Earth Care display
at Route 9 Library

Funded by Energize Delaware, the program implemented by Delaware Interfaith Power and Light (DeIPL), also serves the members of participating faith communities by offering Home Performance with ENERGY STAR® workshops and providing design assistance to establish Earth Care displays to provide additional energy education and resources.

DeIPL's mission is to rally faith communities to address the causes and impacts of climate change by empowering them to adopt creative, effective and affordable energy-conservation, energy-efficiency and renewable-energy strategies.

Program Start.....	2015	Annual Energy Savings Found	\$11,750
Program Participants	5	Lifetime Energy Savings Found	\$235,000
Annual Energy Savings Implemented.....	\$3,411	Tons of Air Emissions Avoidance Found	
Lifetime Energy Savings	\$68,221	(metric tons)	49
Tons of Air Emissions Avoidance	12.9	FY 19 Program Budget.....	\$50,000

WINDOWS OF HOPE



Windows of Hope is an interior storm window construction, installation and education program partially funded by the Faith Efficiencies program. Interior storm windows are easy and inexpensive to make, and reduce energy loss by as much as 10 to 20 percent per window. Members of the Unitarian Universalists of Southern Delaware, a past Faith Efficiencies participant, are building window inserts for some of their members and community neighbors with limited budgets, making a difference in both comfort and expenses.

“The storm windows have made my bedroom nice and cozy. No more trips to push up the thermostat. It’s essential that I save on those heating bills.”

— Pat Williams, Windows of Hope participant

FARM PROGRAM



Rieley Brothers Farms

The Energize Delaware Farm Program provides a comprehensive approach to help Delaware’s farmers reduce their energy costs through energy-efficiency improvements and renewable-energy.

EnSave, the program implementer, works with the farmer to create customized road maps for installing energy-efficiency improvements on the farm.

Available through the program are subsidized energy audits, grants for energy-efficient equipment, low-interest loans, up-front SREC purchases for renewable projects, and assistance in accessing other state and federal programs for energy-efficiency and renewable-energy projects.

Program Start.....	2016	Annual Energy Savings Implemented/Installed (\$)	\$91,704
Participating Farms	64	Lifetime Energy Savings Implemented/Installed (\$)	\$717,498
Audits Completed.....	18	Tons of Air Emissions Avoided Installed projects (Metric Tons).....	343
Technical Assistance Reports	13	FY 19 Program Budget (not including loans).....	\$600,000
Annual Energy Savings Found	\$223,426		
Lifetime Energy Savings Found	\$9,908,478		
Tons of Emissions Avoided Identified	879		
Rebates/Incentives Awarded (\$)	\$178,089		

LOU ANN RIELEY



“Our family has been part of Delaware’s agricultural community since the 1950s, and needed to upgrade our farm to stay competitive. The Energize Delaware Farm Program has helped us by providing the technical advice and financing we needed to improve the insulation and air sealing on our poultry houses. We have a vested interest in remaining poultry growers, not just financially, but because our roots are deep in this area’s agricultural community, and the desire of my heart is to see the next generation of our family love it as I and the previous generations have.”

— Lou Ann Rieley, Covenant Farm

LIGHTS ON



The HELP Initiative team helping install lightbulbs in the community

The goal of the HELP Initiative's Lights On program is to increase neighborhood safety in participating communities by improving external lighting. First launched in Dover in 2017, the program expanded to Seaford in 2018. Energize Delaware provides funding for the energy-efficient lighting installed during the home visits.

In partnership with local governments, the HELP Initiative identifies neighborhoods that are experiencing high levels of crime. Then program representatives go door to door to improve the exterior lighting, identify health and safety risks, and provide education to residents.

During the visits, exterior lights are replaced with “dusk till dawn” LED bulbs that turn on and off automatically based on the amount of daylight. Since 2017, more than 540 residents have participated in the program.

TRISHA NEWCOMER

“The Lights On Seaford Strong program is exciting because, by taking the simple step of changing a lightbulb, our residents can make their homes and communities safer. The HELP Initiative team is getting to know our residents, educating them about safety and energy efficiency, and helping to build a sense of community. Seaford is definitely stronger because of this program.”

— Trisha Newcomer, Director of Economic Development and Community Relations, City of Seaford

RESIDENTIAL SOLAR LOANS

The Energize Delaware Residential Solar Loans program offers low-interest loans designed to encourage the purchase of customer-sited and customer-owned renewable-energy generation.



Solar on Barbara Maculloch's home

This will result in customer utility bill savings; reduce in the environmental impact of energy production, delivery and use; and promote local job growth in the solar installation industry.

Loans range from \$3,000 to \$30,000, with a fixed rate of 3.9 percent and a term of up to 10 years. The loan amount cannot exceed 70 percent of the total project cost.

Energize Delaware has partnered with InClima Solutions to service the residential solar loans and the residential energy-efficiency loans offered to eligible participants in the Home Performance with ENERGY STAR® program.

Program Start.....	2017	Annual Energy Savings	\$104,295
Applications Received	67	Annual kWh Production (closed loans).....	750,867
Value of New Loan Applications	\$1,081,415	Capacity of Solar PV Systems (closed loans)	556
Loans Closed	58	Tons of Air Emissions Avoided (metric tons)	393
Value of Closed/Completed Loans	\$864,141	FY 19 Program Budget.....	\$1,100,000

RON TATE



"I decided to put solar on my home to reduce my carbon footprint, as well as my electricity bill. After doing some research, I decided to purchase the system with an Energize Delaware loan. This allowed me to take advantage of available tax benefits and incentives, while receiving a very low interest rate on the loan.

My contractor, Clean Energy USA, made the process as smooth as possible. They explained everything clearly and handled all the paperwork. Now that the system is up and running, my utility bill is minimal, and I appreciate knowing exactly what the cost of my electricity will be for years to come."

— Ron Tate, homeowner

ANNUAL SREC PROCUREMENT AUCTION



Solar panel system

Energize Delaware 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 and Delaware’s Renewable-energy Portfolio Standards legislation. The auction provides a market for solar system owners to sell their SRECs through long-term contracts to Delmarva Power, protecting rate payers from above-market SREC pricing.

Throughout the year, Energize Delaware manages the transfer of the credits and payments to system owners who are participants in the program. Each year, an online auction is held to fulfill Delmarva’s long-term SREC needs and open the program to new participants. The 2018 SREC auction was held on August 8.

Program Start.....	2012	SRECs Accepted	17,434
Auction Bids Received	638	Value of All SREC Transactions: (20-year contracts)	
SRECs Bid into Auction	17,745	\$519,575/year for first 10 years	
Auction Bids Accepted	634	\$313,629/year for last 10 years	

DELMARVA POWER



“The annual SREC Procurement Auction run by Energize Delaware and its partner InClima is an invaluable service to Delmarva Power. The auction helps us meet our statutory requirement to purchase SRECs at a fair price, in a way that supports green jobs. It is a very transparent process that thousands of Delawareans have found easy to use.”

— Glenn Moore, Vice President of Government Affairs, Delmarva Power

PROGRAM RESULTS

Below are comprehensive financial statements excerpted from DESEU's Fiscal Year 2018 (July 1, 2017–June 30, 2018) audit, performed by the accounting firm of Whisman, Giordano & Associates LLC, Certified Public Accountants, Newark, Delaware. Complete audited statements are available upon request.

Energy Savings from Completed Projects

Program	Energy Savings Annual	Energy Savings Lifetime	Gross Energy Savings (MMBTU) Annual	Gross Energy Savings (MMBTU) Lifetime	Annual Emissions Avoided* Metric Tons
Home Performance—Jobs	\$294,728	\$5,894,563	15,477	309,540	1,512
Home Performance—Audits—DIMs	\$78,990	\$1,579,800	1,847	36,940	363
Revolving Loan	\$738,227	\$14,764,540	47,139	942,780	6,223
Energy Performance Contracting	\$653,580	\$13,071,600	8,868	177,358	3,262
EEIF for Nonprofits	\$161,453	\$3,229,060	10,362	207,248	1,106
Farm Program	\$20,610	\$412,204	2,390	47,806	150
Faith Efficiencies (implemented)	\$3,411	\$68,220	84	1,684	13
Residential Solar Loan Program	\$104,295	\$2,085,909	2,526	50,522	393
Total Savings	\$2,055,295	\$41,105,895	88,694	1,773,878	13,021

Potential 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	Potential Annual Emissions Avoided* Metric Tons
Energy Audits for Nonprofits	\$547,085	\$10,941,700	34,249	684,986	3,125
Pathway to Green Schools	\$268,170	\$5,363,400	11,876	237,514	1,553
Faith Efficiencies	\$11,750	\$234,991	404	8,086	49
Farm Program	\$101,547	\$2,030,947	14,656	293,124	891
Affordable Multifamily Program	\$81,100	\$1,622,000	1,675	33,494	220
Total Potential Savings	\$1,009,652	\$20,193,038	62,860	1,257,204	5,837

*The emissions avoided include CO₂, SO₂ and NO_x emissions. DIM—Direct Install Measures

LOOKING FORWARD

A number of new programs and initiatives are planned for 2019:

DELAWARE PROPERTY ASSESSED CLEAN ENERGY (D-PACE)

D-PACE is a Property Assessed Clean Energy program for commercial buildings that will enable building owners to seek private sector financing for clean-energy and energy-efficiency projects through a voluntary property assessment by participating counties. As the legislatively designated D-PACE administrator, we hired a qualified consulting firm to assist with developing an initial program design, manage the stakeholder process, develop program guidelines, work with counties interested in participating and market the program. We anticipate having the D-PACE program up and running in mid-2019.

HEC2—Launching in early 2019, the Energy Counseling and Checkup (HEC2) Program is an enhancement to our existing Home Performance with ENERGY STAR® program. This enhancement seeks to empower the economically vulnerable and diverse populations in Delaware by providing access to high-quality energy-efficiency education, products and services. This new program offering will have a multiple-pathway approach to engage organizations by cultivating partnerships in the community, offering tailored energy workshops, offering “pop-up” counseling centers and providing in-home energy counseling and home energy checkups that include energy-saving direct-install measures.

ENERGY-EFFICIENCY TAX-EXEMPT MASTER LEASING

Master leasing is used around the country to finance energy-efficiency measures in public buildings, where agencies pay for “assets” through lease payments. The energy-efficiency measures are the assets, and the agency takes possession at the end of the lease term. A “master lease” occurs when a central authority like Energize Delaware enters

into a multiple-year agreement with a financier to offer tax-exempt “subleases” to selected agencies. Financing through tax-exempt leases allows for the flexibility to fund contracts as needed. We hope to have a master lease in place in 2019.

BRAND AWARENESS—In the spring of 2019, we will be fully launching our brand awareness media campaign, which will include social media, radio and print advertising, as well as strategically placed billboards around Delaware. In addition, a new look for our website will be launched that will include inspirational videos from our satisfied customers.

PAIS—We launched a new program in partnership with Warren Energy Engineering called Energize Delaware Portfolio Assessment Initiative for Schools (PAIS). Unlike typical benchmarking, the Energize Delaware PAIS program goes beyond assessing buildings and energy. We will utilize experts to analyze the school district’s internal processes, decision-making, communications and best practices. The purpose of this effort is to provide a 360-degree view of a district’s existing energy-saving potential and provide them with a customized road map for achieving that potential. We plan to select three school districts to obtain their baseline assessment of current energy use, provide recommendations for improving operational efficiencies and offer guidance on applying energy-management best practices.



DELAWARE SUSTAINABLE ENERGY UTILITY FINANCIAL STATEMENTS

Below are comprehensive financial statements excerpted from DESEU's Fiscal Year 2018 (July 1, 2017–June 30, 2018) audit, performed by the accounting firm of Whisman, Giordano & Associates LLC, Certified Public Accountants, Newark, Delaware. Complete audited statements are available upon request.

BALANCE SHEET AS OF JUNE 30, 2018

Assets

Cash and Cash Equivalents	\$5,707,633
Investments	\$9,079,881
Other Current Assets	\$6,583,462
Program Receivables (Bonds)	\$61,945,776
Program Loans Receivable, net	\$27,269,058
Fixed Asset, net	\$229,634
Limited-Use Assets Held by Trustee	\$97,941

Total Assets	\$110,913,385
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Liabilities and Net Assets

Accounts Payable	\$6,437,720
Bonds Payable	\$53,124,930
Net Assets	\$51,350,735

Total Liabilities and Net Assets	\$110,913,385
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STATEMENT OF REVENUE AND EXPENSES AS OF JUNE 30, 2018

Revenue

Program Service Revenue	\$5,205,095
State of Delaware Contract—RGGI	\$9,827,953
Other Income	\$530,948

Total Revenue	\$15,563,996
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Expenses

Program Activities	\$15,985,326
Support Services	\$672,841

Total Liabilities and Net Assets	\$16,658,167
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Change in Net Assets	\$(1,094,171)
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OVERSIGHT BOARD AND STAFF



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



Richard I.G. Jones Jr.
Vice Chairman
Delaware State Director, The Nature Conservancy



Kristopher E. Knight
Treasurer/Secretary
Deputy Secretary of State



Shawn M. Garvin
Secretary, Delaware Department
of Natural Resources and
Environmental Control



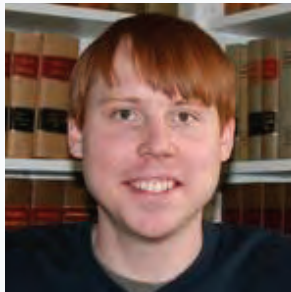
W. Charles Paradee III
Delaware House of Representatives



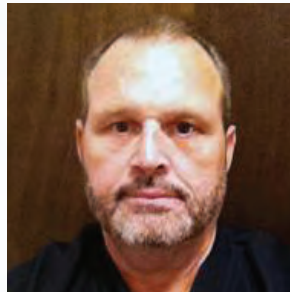
Pamela Bakerian
Executive Director, Delaware State
Farm Bureau



Michael J. Chajes, PhD
Professor, Department of Civil
and Environmental Engineering,
University of Delaware



Sean Finnigan
Chief of Staff, Delaware House of
Representatives



Joseph Schorah
Board Member



Andrew Slater
Delaware Public Advocate



Andrea Kreiner
Ex-Officio Member
DNREC Division of Climate,
Coastal, & Energy



Dr. John Byrne
Honorary Member & Co-Founder
Director, UD Center for Energy and
Environmental Policy



Frank Murphy
General Counsel



Tony DePrima
DESEU Executive Director



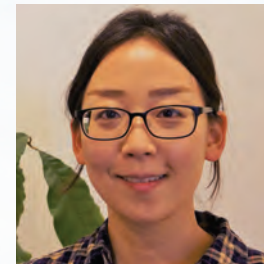
Suzanne Sebastian
DESEU Program Manager



Lisa Gardner
DESEU Office Manager



Kate Bayard
DESEU Marketing and
Communications Manager



Joohee Lee
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University of Delaware PhD
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Energize Delaware programs would not be possible
without the work of our implementation partners!

TAKING CHARGE TOGETHER.™

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