2020 Impact Report

EVER-GREEN ENERGY™

President's Letter

Ken Smith, CEO and President
Ever-Green Energy

When I started at Ever-Green 15 years ago, the company was discussing advanced preparedness for a range of potential emergencies that could have global impact, including a pandemic. Such remote scenarios are ones that business leaders plan for and really don't expect to arrive on their watch. But arrive it did, and as a utility manager, developer, and owner, Ever-Green Energy's focus remained steadfast on our people, our customers, and the tremendous responsibility of delivering reliable and critical energy services to the hospitals, homes, and businesses that rely on us. As I reflect on the year, I feel tremendous gratitude for our outstanding, committed team members and the roles they played in the collective efforts to keep our communities safe during a pandemic.

Despite the uncertainty of the year, I am proud to share that all Ever-Green projects and operations were able to make improvements and advancements. We have several projects in key development phases, with Mission Rock in San Francisco breaking ground, and projects such as Towerside in Minneapolis, the Burlington District Energy System, and Oberlin College progressing toward new system advancement. We met major milestones with the first cohort of our Roadmap to Carbon Neutrality pro bono program and launched a second cohort with Macalester College and Slippery Rock University.

We also explored new renewable technologies, including the implementation of aquifer thermal energy storage and beneficial electrification strategies for multiple development sites. And we wrapped up the last major section of distribution work for our steam-to-hot water transition in Duluth.

This year proved the importance of constant reflection and improvement, both as an organization and as individuals. Launching a new corporate social responsibility platform provides transparency as we set tangible goals for our stakeholder commitments, built from our company values and understanding of our impact within the communities we serve.

We are providing the 2020 Impact Report in earnest and once again extend the invitation to our stakeholders and partners to join us in this journey. We welcome your feedback and suggestions to better ourselves, our operations, and our reporting efforts. Together, we can get through the most challenging of times and continue to make a difference for our clients and customers, our team members, the communities we serve, and the environment.

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Moving Forward

In December 2020, Ever-Green Energy launched its first corporate social responsibility report. This new platform was developed to provide greater transparency and accountability to our company as an extension of our company and values – deliver exceptional service, operate with excellence, people matter, integrity in all we do, uphold a culture of respect, serve as environment stewards, be a part of our community.

As we carry the values and this platform forward, we continue to explore and evolve the information we are reporting. For our 2020 report, we have added reporting on ash reduction, water savings, particulate reduction, and safety.

We are taking strides to share more information about our company, our commitments, and the governance and policies that help us deliver on our promises to our customers, partners, and stakeholders. These new areas of reporting can be found throughout our report, and we have added a reporting mechanism for our environmental, social, and governance **(ESG) commitments**.

141 Employees

NEARLY **55 MILLION** square feet served

SECTORS SERVED | Higher education, Community, Health care

People and Community

People

Maintaining the safety and health of our people in 2020 was paramount. The teams worked diligently to prepare early in the year for a multitude of operating scenarios, to make sure we could provide critical energy services while keeping our employees healthy. The team adapted throughout the year, keeping protocols in line with national and local guidance. We made sure workers in our buildings and those working remotely had the personal protective equipment, technology, and support needed to keep our operations on top of day-to-day customer needs.

Wellness and Safety

Valuing people means that promoting a safe and healthy work environment is integral to all that we do. Safety is a consistent topic of conversation and at the forefront of Ever-Green decision making. Creating a culture of safety extends beyond the workplace, into our homes and communities. COVID-19 has presented unprecedented challenges, and we are thankful to our team for showing care not only for their own safety and health, but also for the wellbeing of others.

Ever-Green is committed to providing all employees, customers, and visitors with a safe work and business environment. Our programs are designed to promote excellence in safety procedures, compliance, and behavioral safety. Building a strong safety culture has been achievable through our teams working together and understanding that safety is the responsibility of every employee at every level.

2020 PERFORMANCE

- Achieved a Total Recordable Injury Rate[1] lower than the industry average[2], a 56% reduction from the prior year
- 40% fewer first aid injuries than 2019
- 42 potential safety risks were reported and corrected by employees before they could cause safety incidents

[1] Total Recordable Injury Rate is defined as OSHA recordable incidents x 200,000 / hours worked.

[2] Source: 2019 U.S. DOL Bureau of Labor Statistics for NAICS code 221330

2020 HIGHLIGHTS

The company launched new programming and resources to support stress management and mental and physical health

- Transitioned training sessions to a virtual format, allowing employees from across all locations to attend and interact with each other. The Fun is Good program focused specifically on ways to develop and sustain a positive, fun, and creative culture for our team members.
- Reboot of LiveWell program health pillar, with the CEO leading the new effort to focus on mental health as well as fun physical and nutritional challenges.
- Connecting virtually created new challenges, but also created new tools for team members in different states to collaborate and interact. New virtual town hall meetings and social programming were launched, as well as a weekly internal newsletter.

Diversity, Equity, and Inclusion

In our first CSR report, we shared our commitments to building a diverse, equitable, and inclusive work environment. We have taken meaningful steps to change our processes and approach, so we are better prepared to welcome the talents and capabilities of a diverse and dynamic workforce, while also working to make sure we can retain that talent with inclusivity and opportunities for advancement.

Beyond hiring and workforce considerations, the events of the past year also centered the importance of becoming an anti-racist organization.

We are all still reckoning with the realities and demands for change that followed the murder of George Floyd. We were faced with questions, concerns, and tensions that we had not grappled with as a company before. We had to dig deeper and have more crucial conversations about how unjust systems affect individuals and communities of color.

As an organization, our commitment cannot be limited to diversity, equity, and inclusion. We know we must strive to be an anti-racist partner in this critical moment of change. To honor this commitment, the Ever-Green Energy Board of Directors and Senior Leadership adopted the following 2021 organizational goals to advance our anti-racism work:

Expand efforts to modernize policies and practices to attract and retain a talented and diverse workforce, placing emphasis in 2021 on tools and strategies that support institutional and systemic change toward equity and justice.

Engage intently on encouraging vendor partner support of this workforce emphasis and on fostering supply chain relationships that enable adding new businesses owned by people of color in the industry.

Focus to include development of an anti-racism plan, expanded civic engagement in the communities we serve, and additional emphasis on economic and climate justice in the work we do.

Systemic injustice requires systemic change, and our organization is committed to being part of this important transformation. We must examine our personal and organizational biases and be willing to address how historically imbalanced systems affect communities of color and work to dismantle structural racism. There is much work to be done to achieve real change. Hard work that will take time and commitment. While we will not always get it right, we are determined and continuing our work.

Community

Ever-Green launched new programming in 2020 to provide additional support to communities and nonprofit partners strained by the impacts of COVID-19 and civil unrest. New community partners were identified in each of the communities where we operate, and local teams helped extend our support. It was also the first year of our pilot employee giving match program. The program enables more employee-led giving and honor the work our employees are already doing to be civic and community leaders and difference-makers.

Operational Excellence

Impact Through

Metrics

As an energy provider, we carry a great responsibility to our impacts on climate. Decarbonizing heating and cooling is a major challenge to addressing climate change, and Ever-Green is committed to leading the necessary adaptation in this sector. **To do this, we need to address 3 major areas of opportunity; 1) customer efficiency 2) fuel inputs and 3) increasing our use of low or no-carbon fuels.** We also need to continue working with partners who can help us integrate emerging technology and energy source solutions to reduce our environmental impacts and carbon profiles.

In 2020, we worked toward these goals by studying the integration of several decarbonization strategies, including electric boilers and geoexchange technologies, while also considering how data can be utilized to increase efficiency across all systems.

Our continued efforts to increase efficiency and reduce carbon are reflected in our 2020 sustainability metrics, found in each of the operations profiles. It is important to note that each Ever-Green-operated system has incredibly unique dynamics in its production equipment, available fuels, electricity providers, distribution systems, and customer base. We offer these reporting metrics as a way to increase transparency and accountability in our efforts, however, we encourage our stakeholders to consider each system's progress independent of the other systems, given the differences in their operations factors.

Fuel Mix and Renewable Energy

A major benefit of district energy infrastructure is connecting buildings and users to a variable fuel approach that can offer lower carbon alternatives, while still maintaining reliable and cost-effective energy delivery.

Greenhouse Gas Emissions

To accurately reflect greenhouse gas (GHG) emissions, the annual reporting process considers fuel inputs, system efficiency, and electricity inputs by regional utility providers. The GHG profile of these operations also varies widely and is noted alongside each metric. Looking forward, Ever-Green is planning for greater renewable power purchases for its partner operations, which will also be tracked and reported. We will also evaluate the GHG impact of water use, as well as office, travel, and fleet operations.

Note: Ever-Green is presenting its GHG profile as a carbon factor for operations. This metric represents the carbon intensity of the energy within each system's heating and cooling. We are using this measure because it makes it easier for our customers to consider their own carbon profile, as a product of our carbon intensity and their building's energy consumption. As we reduce fossil fuel usage and increase energy efficiency in each operation, our carbon factor will decrease.

CoolCo

BUILDINGS SERVED | 16

5.9 MILLION square feet served

The CoolCo district cooling system was an exciting new operations and management partnership for Ever-Green in 2020. The system was acquired by Harrison Street and offers great opportunities for growing the customer base and working closely with the City of Cincinnati, local businesses, and sustainability partners to consider future growth and potential for increased efficiency and renewable integration. The system serves 16 customers including commercial office buildings, retail and hotel facilities, government buildings, and institutional facilities.

SUSTAINABILITY PARTNERSHIPS

Members of Green Umbrella

Green Umbrella is the regional sustainability alliance of Greater Cincinnati, with over 200 member organizations and over 200 individual members passionate about enhancing the environmental health and vitality of the region.

Professional Stakeholder to Cincinnati 2030 District

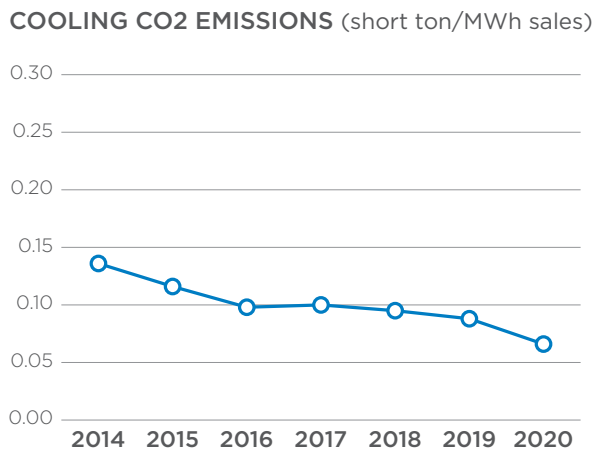
The District's mission is to create a network of healthy, high-performing buildings in the city of Cincinnati. Participating members make a collective commitment to reduce their buildings' energy use, water consumption, and transportation emissions by 50% by the year 2030.

"2020 was our first year serving Cincinnati under the new ownership and vision of Harrison Street. It was also my first year as an Ever-Green Energy leader. I'm proud of our ability to improve system performance, customer care, and even grow the system by working together to lead and adapt through this difficult year. Paired with our sustainability partnerships with the City of Cincinnati, we have so much potential to do good here."

Tim Heineman, CoolCo Plant Manager

CoolCo Metrics

Greenhouse Gas Emissions



IMPROVED SYSTEM EFFICIENCY KW/TON

FROM

.879 in 2018

TO

.715 in 2020

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RECENT SYSTEM IMPROVEMENTS

- High-efficiency cooling towers reduce evaporative drift, which saves water and reduces the plume from the towers.
- New state-of-the-art centrifugal chiller installed in 2019 with a variable frequency drive improves efficiency.
- Control system upgrade in 2017 allows for better system sequencing and energy savings.

The CoolCo system serves 16 customers including commercial office buildings, retail and hotel facilities, government buildings, and institutional facilities.

District Energy St. Paul

2020 SYSTEM HIGHLIGHTS

- Heating and cooling reliability over 99.99% for the year.
- Additional cooling efficiency gains led to a customer rebate of $250,000.
- Announced carbon neutrality goal by 2050 along with a goal of 7% carbon reduction year over year.
- Record high for wood delivery from tree trimming and ash removal at biomass fuel processing facility.

District Energy St. Paul faced many of the same hurdles as other systems in 2020, balancing the critical needs of delivering reliable energy to customers with maintaining safe work environments for employees and customers. The downtown system serves four hospitals and several clinics, all of which relied on this system to be there to support regional and community health care. The system also serves 52 residential buildings and 75 commercial buildings, which all required dynamic service as more people worked from home. Our team provided guidance to help building operators save energy through the building occupancy transition while protecting their building assets.

Additionally, we supported many customer energy efficiency projects with engineering and financial resources. By collaborating closely with energy production and distribution, this work in customer buildings helps to improve efficiency across the entire system. Plant operations are closely aligned with how our customers utilize energy in their buildings, and through continued data review and analysis we are able to identify opportunities and work with customers to optimize their energy use.

"Our crew handled a recordbreaking amount of wood delivery this year from residential tree removal, tree trimming, and ash tree removal. Seven days a week, the crew processed and delivered fuel to the plant to support reliable service to our customers."

Jeff Guillemette, Biomass Fuel Manager, Environmental Wood Supply

31.9 MILLION
square feet served

CUSTOMERS SERVED

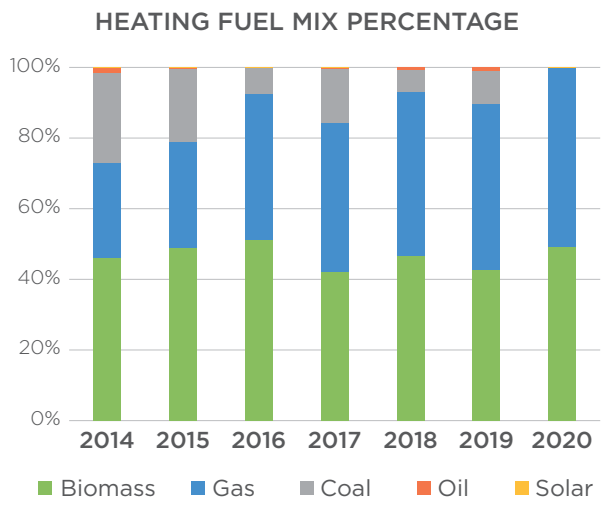
202 customers

— AND —

302 single family homes

District Energy St. Paul Metrics

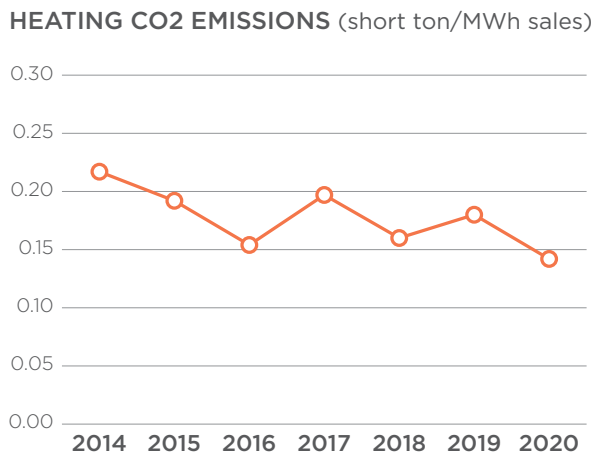
Fuel Mix and Renewable Energy

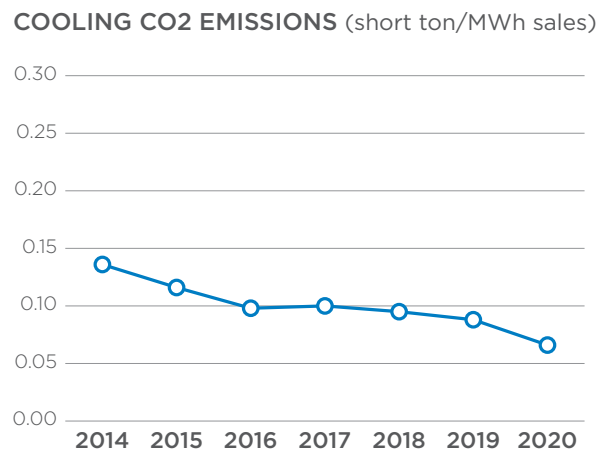


First full year of operation since coal retirement - reducing carbon intensity by

21%

Greenhouse Gas Emissions





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Duluth Energy Systems

For **Duluth Energy Systems**, 2020 marked the close of a three-year transformation of a large segment of the system advancing from steam to hot water. The Superior Street Project was a major step towards achieving the system improvements and carbon reductions that meet the City of Duluth's long-term vision for climate-resilience and cost effectiveness. This construction was a major streets and distribution infrastructure undertaking.

Customer buildings that were converted to hot water received upgrades to mechanical and controls systems. They are seeing simpler interfaces in their buildings and more hands-off operation of their building equipment. The customers who converted over the past two phases are seeing significant efficiency gains with a 25% reduction in energy consumption. Transitioning these buildings from steam to hot water has resulted in cost savings, and because hot water is easier to control, it has resulted in increased comfort as well.

> "The transformation of our Superior Street district was a really important part of modernizing Duluth Energy Systems. Beyond saving energy and being more efficient, it helps us reduce greenhouse gas emissions, and really put our climate goals into action in Duluth."
>
> Mindy Granley, Sustainability Officer, City of Duluth

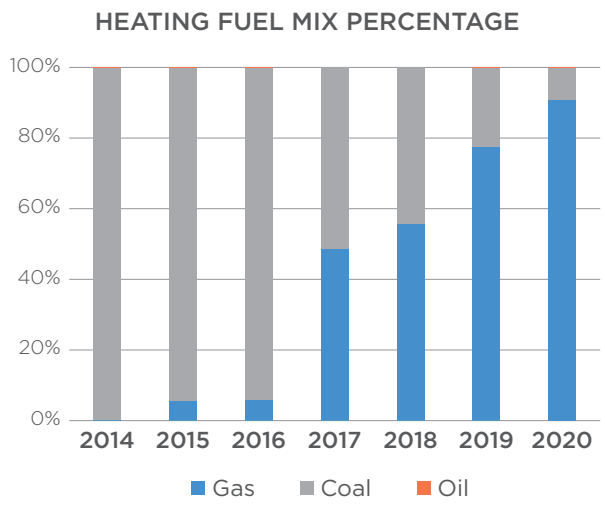
149 Buildings served

6.45 MILLION square feet served

Electricity consumption reduced **75%** from 2014

Duluth Energy Systems Metrics

Fuel Mix and Renewable Energy

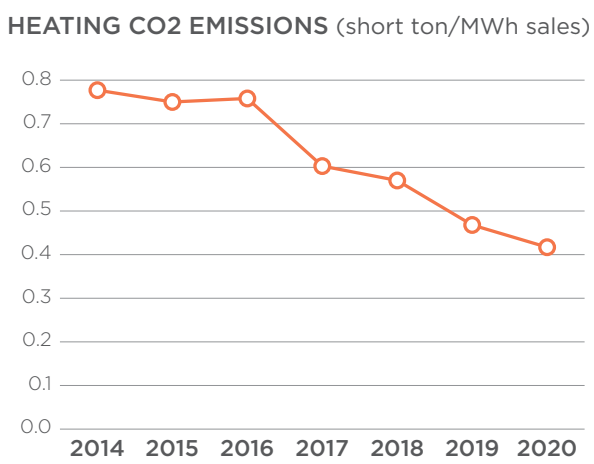


Coal reaches record-low usage at

92.4%

reduction since 2010

Greenhouse Gas Emissions



Ash was reduced by

81%

since 2018

Boiler operating hours **reduced by**

25%

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Energy Park Utility Company

TECHNOLOGIES THAT ENHANCE CUSTOMER SERVICE

FREE COOLING

AND

YEAR-ROUND COOLING

Energy Park serves as a success story for major transformation of urban sites. Although this area was once a Superfund site, the Saint Paul Port Authority (SPPA) lead a thorough remediation and redevelopment process. Today the site is home to 786 residential units and there are 94 businesses in the Energy Park Business Center, supporting 5,658 jobs and generating $7.1 million in taxes each year.

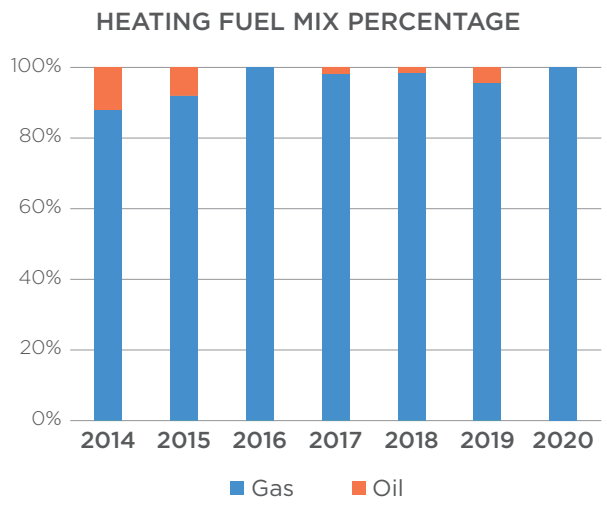
This success story creates an important, transformative model that can be emulated by large redevelopment projects. The Ever-Green team has provided the energy lens to many of these planning processes, using lessons learned from advancing systems like Energy Park. Working in partnership with leaders such as SPPA, these sites can provide cities with new opportunities for housing, jobs, and community assets. They also model the effectiveness of using district energy to create system-wide efficiencies and a platform for energy efficiency and renewable integration.

BUILDINGS SERVED | **16**

2.96 MILLION square feet served

Energy Park Utility Company Metrics

Fuel Mix and Renewable Energy

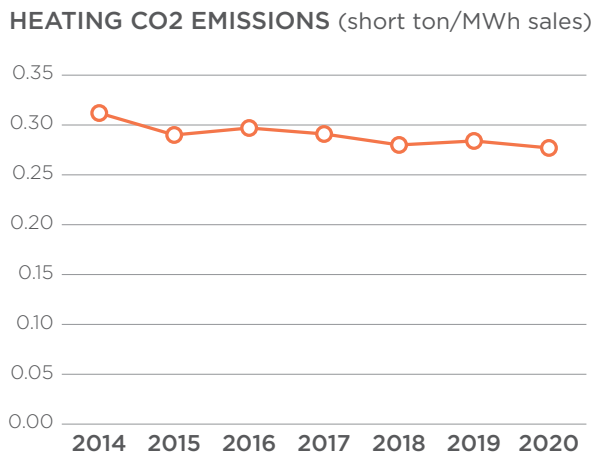


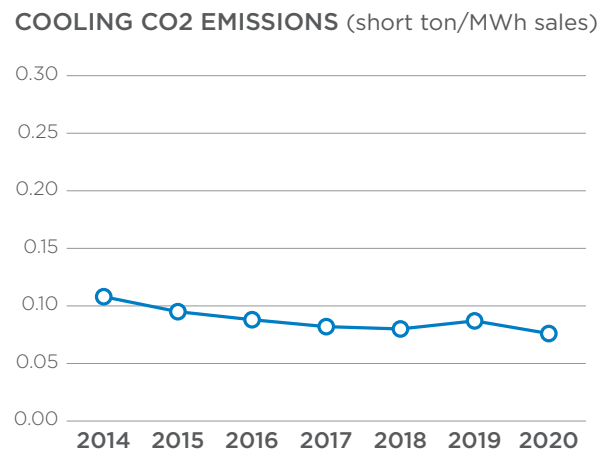
2020 SYSTEM HIGHLIGHTS

- 100% planned system reliability.
- Switchgear improvements will improve reliability and safety.

Energy Park's success story creates an important, transformative model that can be emulated by large redevelopment projects.

Greenhouse Gas Emissions





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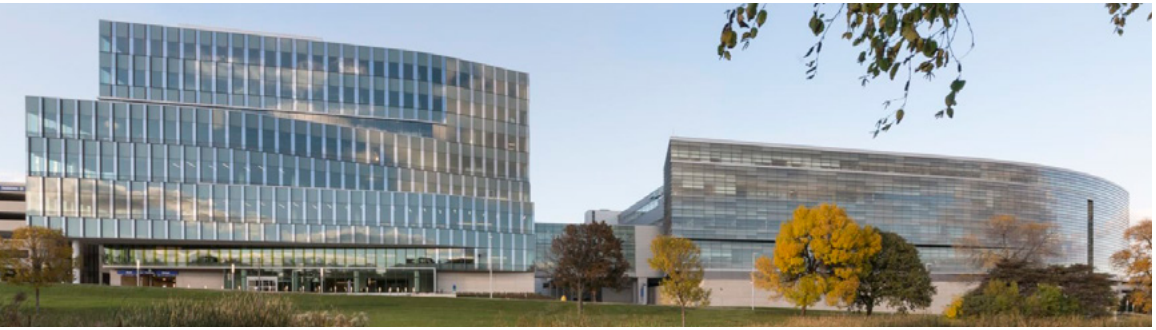
Milwaukee Regional Medical Center

BUILDINGS SERVED | **22**

7.5 MILLION square feet served



Water consumption was reduced by **41.7%** since 2016

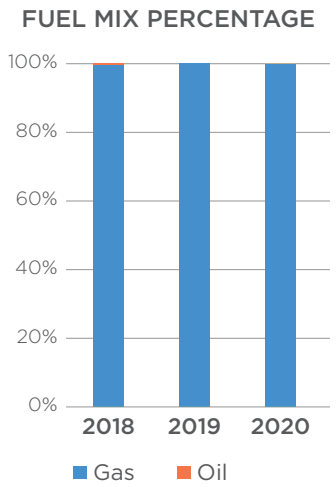
Providing critical services to a health care consortium carries tremendous responsibility, especially during a pandemic. The campus is home to a Level 1 Adult Trauma Center at a nationally-ranked academic medical center, a Level 1 Pediatric Trauma Center at a nationally-recognized children's hospital, and a medical college that is the largest research center in the Milwaukee metropolitan area and the second-largest in Wisconsin.

In 2020, the leadership and staff at the **Milwaukee Regional Medical Center (MRMC)** needed to know that their thermal energy services were going to be delivered reliably, so they could focus their care and attention on the community that relies on this health care system. The Medical College of Wisconsin played a major role in research of treatments, vaccine development and distribution, and emergency management, while Froedtert Hospital and Children's Wisconsin administered critical patient care.

The MRMC thermal utility team worked diligently to maintain reliable services, also managing to advance other operational and infrastructure projects, including continuing multi-year efforts to reduce energy usage, water consumption, and particulates. The energy system has seen significant transformation in recent years and continues to find ways to elevate this world-class system.

Milwaukee Regional Medical Center Metrics

Fuel Mix and Renewable Energy

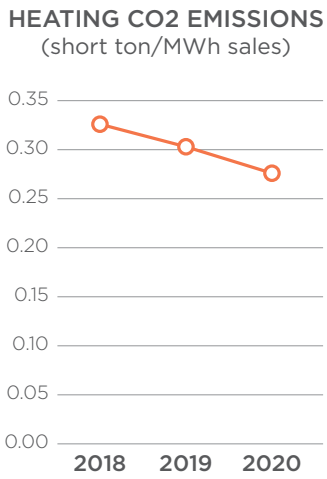


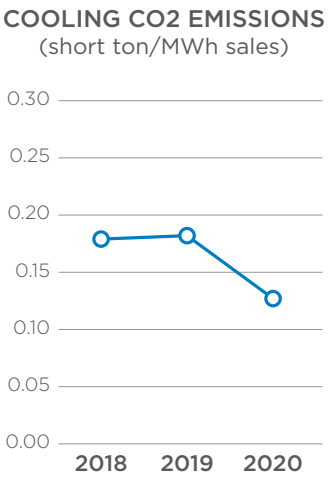
The MRMC thermal utility team worked diligently to maintain reliable services, also managing to advance other operational and infrastructure projects.

2020 OVERALL RELIABILITY

100%

Greenhouse Gas Emissions





PM* reduction of

79.9%

— AND —

PM10 reduction of**

63.2%

since 2016

*PM is an emissions factor, meaning particulate matter, the term for a mixture of solid particles and liquid droplets found in the air.

**PM10 are inhalable particles, with diameters that are generally 10 micrometers and smaller.

Source – Environmental Protection Agency

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Advancing Systems and Energy Innovation

Above: Macalester College President, Suzanne Rivera.
Below: Slippery Rock University campus.

Roadmap to Carbon Neutrality Cohort #2

Launched in 2019, the **Roadmap to Carbon Neutrality** program announced a second round of partners in 2020. The program was developed to help higher education institutions accelerate their efforts to achieve carbon neutrality, providing schools with pro bono planning services to evaluate campus energy loads and pathways to reduce scope 1 and 2 carbon.

The 2020 cohort includes Macalester College in Minnesota, and Slippery Rock University in Pennsylvania. These schools were selected based on their readiness and alignment with the goals of the program. This program is focused on implementation, so previous study, planning, and infrastructure efforts make a difference in reaching actionable outcomes. The Ever-Green team will work with facilities, sustainability, finance, and other relevant departments to identify campus priorities. Our teams will collaborate to analyze near-term, implementable technologies and create financing strategies to move these solutions forward.

The 2019 cohort included University of Minnesota Morris, University of St. Thomas, and College of St. Benedict.

Advancing Systems

Ever-Green was proud to see major progress on the **Energy Services Acquisition Program** in Ottawa, Canada. This program will modernize the system that heats 80 buildings and cools 67 buildings in the National Capital Region. By shifting to low temperature water for heating and carbon neutral electricity for cooling, this system will help the Government of Canada to meet its goal of reducing the GHG by 40% by 2030. The Ever-Green team supported this effort between 2010-2020 as an owner's representative and study partner.

Ottawa System Transformation is Underway

Oberlin Identifies Path to Carbon Neutrality

Ever-Green began its partnership with **Oberlin College** in 2015, working toward meeting Oberlin's goal of making the campus carbon neutral by 2025. Oberlin is committed to a sustainable and reliable infrastructure plan that is financially pragmatic and implementable. This effort has included a comprehensive assessment of building performance, fourth generation distribution system solutions, and carbon-free energy sources.

In 2020, the partners completed the implementation study of the project with an emphasis on analyzing the most feasible carbon-free source of energy. The analysis included landfill gas with combined heat and power, biomass, geothermal, and solar energy. In March 2021, it was determined that the system would transition from natural gas to geothermal as its primary energy source. Work began in May 2021.

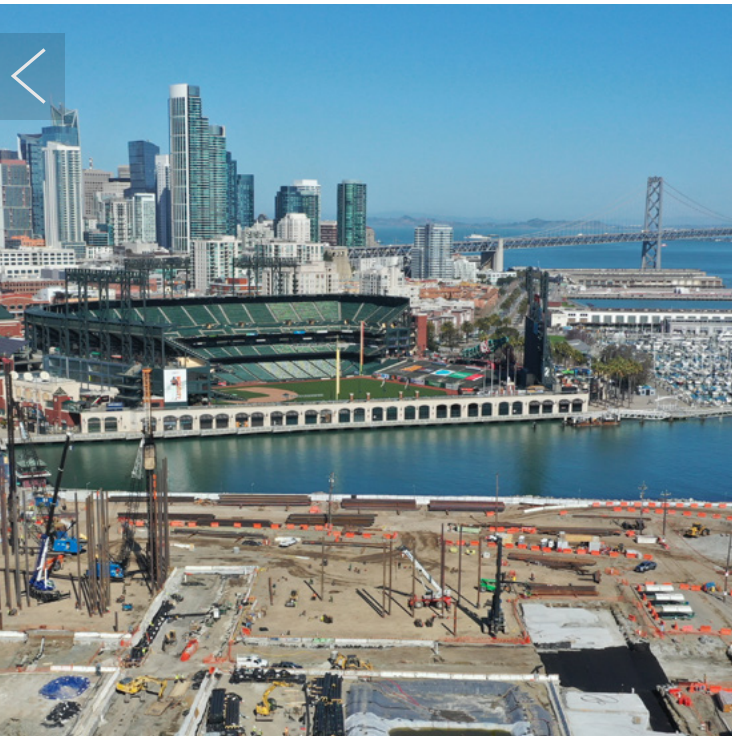
Towerside Innovation District Reaches Milestone

The **Towerside Innovation District** Partners are working collaboratively to create a high-density, equitable, diverse, and sustainable community. A major component of this is connecting buildings to a geoexchange district energy system, which can substantially reduce carbon and dependency on fossil fuels. The proposed system reached a critical milestone in 2020, receiving approval from the Minneapolis City Council to move forward with plans to finance the community energy system through city-backed debt. This support helped the system plan for test wells in early 2021, a critical step toward implementation.

Burlington Commits to Renewable District System

The **Burlington**, Vermont, community was one of Ever-Green's first development partners, making it all the more exciting that the system took big steps forward in 2020. Creating a district energy system would meet the long-held goal of recovering waste heat and renewable energy from Burlington's biomass-fired McNeil Generating Station, providing thermal energy to the University of Vermont Medical Center. This would also be a significant step toward Burlington's goal to become a Net Zero Energy city and would bring meaningful sustainability action to Burlington, including significant energy savings and an impactful reduction in Burlington's greenhouse gas emissions.

In 2020, Ever-Green completed the phase 2 detailed engineering analysis and refined economic modeling that resulted in an innovative business structure, enabling community participation in this low-carbon district energy system. We are proud to partner in the advancement of Burlington's district energy system along with City of Burlington, Burlington Electric Department, Vermont Gas Systems, Inc., and The University of Vermont Medical Center.



Mission Rock Breaks Ground

After several years of planning, the **Mission Rock** project broke ground on phase 1 of its development in June 2020. Phase 1 is anticipated to take about two and a half years. Mission Rock is a key gateway development and one of the most prominent undeveloped sites in the Mission Bay neighborhood of San Francisco. The sustainability vision for Mission Rock is for highly efficient buildings, as well as 100% of the energy use to come from renewable sources. Additional commitments include zero use of potable water for non-potable purposes.

Ever-Green is leading the development, financing, and implementation of Mission Rock Utilities. As of January 2021, the district energy and black water recycling systems are under construction. This collaboration of the San Francisco Giants, Tishman Speyer, the City of San Francisco, the San Francisco Port Commission, and Ever-Green enabled the implementation of sustainable, resilient, reliable, and cost-effective energy and water solutions.

Data Drives Change

Refinement and access to data was a common thread in our 2020 operations. Work behind the scenes was completed to improve data gathering and processing for systems that have one-minute customer meter data. This work was the foundation of developing our first customer portal, which will go live in 2021 in Saint Paul. Customer reporting tools will also improve participation in benchmarking and environmental scorecard programs.

Upgrading data monitoring for production and distribution systems has also led to major efficiency gains. In Milwaukee, the team is advancing the platforms we have invested in to use data to monitor and control our systems. This work made great strides in 2020 and will be key to both sustaining and improving system performance.

Customers are seeking more information to better manage their buildings, and as technology advances, it is clear that timely data is needed to understand energy trends and peaks to improve efficiency.

Looking Ahead

Our commitment to corporate social responsibility will remain steadfast as we move through this time of transition. We renew our invitation to our partners and stakeholders to join us in this work, offering us feedback and the opportunity to do better.

For more information on our corporate social responsibility platform and the development of our environmental, social, and governance platform, **please visit the corporate social responsibility section of our website.**

EVER-GREEN ENERGY™