LETTER FROM THE DIRECTOR

Thank you for your continued support of RREAL and our clean energy solutions for low-income communities! Every year, we demonstrate that clean energy is not only a means to reduce the environmental and social costs of fossil fuels but also an innovative and effective tool in the fight against poverty.

2014 was no exception! With your support, we moved 60 more families from impoverished to empowered. By giving families the means to produce their own energy, we can stabilize energy costs and address the root causes of fuel poverty. Solar Assistance has the power to make a difference.

Not only are RREAL’s low-income partners more secure, but RREAL is more secure. As a nonprofit organization, we want to stand on our own two feet just like we encourage with Solar Assistance. In 2014, RREAL created a for-profit subsidiary, REAL Solar Inc. A solar design-build company owned entirely by our nonprofit, REAL Solar designs and installs solar energy systems for the residential, commercial and municipal market. We are proud to create jobs and provide clean energy in this historic Minnesota solar marketplace while raising funds for our unique Solar Assistance program. We need your support, but we do everything within our power to foster our own organizational self-reliance through social enterprise.

Although we have been providing clean energy for more than 10 years, it still feels like we are just getting started. We are still forging new and creative solar energy solutions for economically disadvantaged communities.

In 2015, our flagship Solar Assistance program will create another first of its kind – Community Solar for Community Action: A new model for low-income energy assistance. We are thrilled to be developing the first community solar garden for low-income energy assistance in partnership with a community action agency! Rather than simply hemorrhage public resources as a stop gap solution, we are going to leverage the community solar garden concept for a long-term and practical model of low-income energy assistance! Relevant from New Mexico to New York, this nationally unique model will set into motion a shift in our federal low-income energy assistance program. That’s a Made-in-Minnesota model from RREAL!

With your support in 2015, we will change the national dialogue about how we address low-income fuel poverty and strive to ensure that solar energy is accessible to communities of all income levels. We couldn’t serve communities without your support. Thanks for being a part of it!
OUR PROGRAMS: 2014 Year in Review

**Solar Assistance**
*Delivering solar energy to low-income households and under-resourced communities*

60 low-income households equipped with solar energy systems

4 states with increased access to clean, affordable heat and electricity

166 million additional BTUs of heat production

62,854 additional kilowatt-hours of electricity production

**Education & Community Outreach (ECO)**
*Increasing awareness and community engagement through education, demonstration projects, presentations, experiential learning, and volunteering*

3,080 community members reached

7,274 hours provided by volunteers, interns, and apprentices

**Manufacturing & Distribution**
*Building clean energy workforce through local manufacturing*

127 locally made, SRCC-certified solar collectors

7 new dealer partnerships

**REAL Solar**
*Providing residential & commercial design-build services and supporting RREAL’s nonprofit programs through social enterprise*

107.98 kW deployed

419 photovoltaic modules installed
NEW & NOTEWORTHY

REAL Solar

2014 marked the launch of REAL Solar, a for-profit solar design-build corporation. Both solar thermal and PV solar systems were installed at REAL Solar’s new location, just north of Pine River. Maintaining our commitment to energy security and environmental stewardship, the same dedicated team of engineers and builders is available for your next solar project. Proceeds from REAL Solar help to support RREAL’s Solar Assistance Program.

Toasty Turkeys

RREAL installed a transpired air system at a turkey production facility to create awareness and demonstrate the role this technology could play in stabilizing energy costs in the Minnesota agricultural landscape. The project was funded by the University of MN Central Region Sustainable Development Partnership, Clean Energy Resource Teams, and AgStar Fund for Rural America. Data collected from the project will demonstrate the potential for dramatic greenhouse gas emissions reduction, as well as reducing dependence on delivered fuels, reducing energy costs, and increasing food and energy security.

Affordable housing through solar energy: Sprucewood Townhomes

In collaboration with the Central MN Housing Partnership and Keuper's Construction, RREAL completed its first housing development installation, and its largest PV installation to date at the Sprucewood Townhomes in Baxter, MN. This solar electric system will help reduce the operating costs of 34 affordable housing units and showcase how solar technology can be incorporated into low-income housing.

Skip the Grid! PV For Phebe

When we started RREAL, we knew that fuel poverty was even more acute elsewhere in the world. We didn't even know how to start an organization much less address global fuel poverty. In 2015, we'll demonstrate one way to do something about it - Skip the Grid! RREAL is leaning its shoulder into the yoke of a broad public-private effort to bring PV micro-grids to rural hospitals in West Africa. Most hospitals spend the majority of their scarce resources on expensive diesel fuel for generators despite basking in the sun. Because of the Ebola epidemic we have all become more aware of the health care system in West Africa, but let’s not callously forget about those communities now that the threat is receding. Water borne illnesses and malaria will continue to put enormous pressure on the frail health care system. Displacing the diesel with solar will ensure that hospitals can dedicate the resources they have to medicine and health care workers. Help us Skip the Grid! and develop lasting and climate-appropriate solutions for the health care system in West Africa.
Renewable Energy Equipment Grant Program (REEGP)

RREAL was recently awarded the Central MN Community Foundation’s Rural Poverty Grant, which has enabled us to educate Community Action Program (CAP) Weatherization Agencies about REEGP. REEGP is a state fund, available only to Weatherization Agencies through the Department of Commerce to install renewable energy equipment on family homes. The Rural Poverty Fund Grant enabled RREAL to offer training to CAP Weatherization Agencies, and to purchase solar pathfinders to aid in completion of solar site assessments. Let your low-income friends and neighbors know about this opportunity to deploy solar on their behalf.

Education & Community Outreach – ECO

RREAL renamed its outreach and education program “ECO” – same great program...new name! RREAL continues to place an emphasis on education and outreach while providing trainings, presentations, and hands-on educational activities throughout the region.

Lakes Area Habitat for Humanity Re-Store

RREAL secured funding through the Toledo Community Foundation and the First Solar Corporate Charitable Fund to complete a PV installation at the Lakes Area Habitat for Humanity Re-Store. The installation of this PV system provides annual relief to LAHFH funds, thereby extending the resources available to eliminate poverty housing in the Brainerd Lakes Area.

Environmental Learning Centers

RREAL has committed to installing nearly 40 kW of PV at six area residential environmental learning centers, including Wolf Ridge Environmental Learning Center, Deep Portage Learning Center, Audubon Center of the Northwoods, Long Lake Conservation Center, Eagle Bluff Environmental Learning Center, and Laurentian Environmental Learning Center. The project will provide solar curriculum for tens of thousands of learners of all ages. Preliminary work for these projects has begun, and will continue into 2015.
FINANCIAL REPORT

Rural Renewable Energy Alliance
Statement of Financial Position
December 31, 2014
Unaudited as of January 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Cash</td>
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<tr>
<td>Accounts Receivable</td>
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<td>Inventory (Net)</td>
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<td>Other Current Assets</td>
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<tr>
<td>Total Current Assets</td>
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<td>Total Fixed Assets (net)</td>
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<td>Total Assets</td>
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<td>Accounts Payable</td>
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<td>Deferred Revenue</td>
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<td>Other Current Liabilities</td>
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<td>Total Current Liabilities</td>
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<td>Loans</td>
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<td>Total Liabilities</td>
<td>$408,994</td>
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<td>Total Net Assets</td>
<td>224,763</td>
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<tr>
<td>Total Liabilities and Net Assets</td>
<td>$633,758</td>
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Rural Renewable Energy Alliance
RREAL Statement of Activities
For the Twelve Months Ending December 31, 2014
Unaudited as of January 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted Assets</th>
<th>Temporarily Restricted</th>
<th>Total</th>
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<tbody>
<tr>
<td>Solar Assistance Revenue</td>
<td>$348,164</td>
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<td>$348,164</td>
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<td>Solar Contracting and Dealer Revenue</td>
<td>175,444</td>
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<td>Outreach and Education</td>
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<td>Donations and Contributions</td>
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<td>Grants Received</td>
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<td>In-Kind Donations</td>
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<td>Misc. Income</td>
<td>22,028</td>
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<tr>
<td>Assets Released from Restriction</td>
<td>107,578</td>
<td>(107,578)</td>
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<tr>
<td>Total Revenue</td>
<td>$864,848</td>
<td>$ (107,578)</td>
<td>$757,270</td>
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<td>Program Expenses</td>
<td>$822,249</td>
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<td>Administration/General</td>
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<td></td>
<td>843,427</td>
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<td>Change in Net Assets</td>
<td>21,421</td>
<td>(107,578)</td>
<td>(86,157)</td>
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<td>Net Assets - Beginning of Year</td>
<td>89,601</td>
<td>221,320</td>
<td>310,921</td>
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<td>Net Assets - End of Year</td>
<td>$111,022</td>
<td>$113,742</td>
<td>$224,764</td>
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ACKNOWLEDGMENTS

DONORS
Jeff Achen
Andrea Addo
BJ Allen
Rod & Linda Allen
Suzanne Allen
Amazon.com
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Joe & Wendy Armbrust
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Susan Benjamin
Patrice Blaeser
Tiffany Blank
Debra Brims
Jeremy Burns
Ryan Burns
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Dave Butcher
Heather Butcher
Danielle Butenhoff
Cars 4 Causes
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Mark Clary
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Crow Wing Power
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Michael Spry
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Jennifer Victor-Larsen
Heather Vinge Hanson
Werner Electric
Shannon Wheeler
Juliana Wilkins
Michelle Wilwerding
Abby Wright
Because of your ongoing support and encouragement, we are able to continue to move families from impoverished to empowered, fighting poverty with clean energy through RREAL’s Solar Assistance Program. Please help us ensure that communities will have energy resiliency for decades to come.

RREAL’s work can only continue with your support. Every dollar helps, and your donations are tax deductible. You can donate year-round through GiveMN.org or by sending your donation directly to RREAL.

Together we can make a difference!