

Philadelphia Energy Authority
Minutes of the Quarterly Meeting of the Board of Directors
September 13, 2016

The quarterly meeting (“the Meeting”) of the Board of Directors (“Board”) of the Philadelphia Energy Authority (“the Authority”) was held on September 13, 2016, beginning at 4:30pm at the Municipal Services Building, 16th Floor, Room E, 1401 JFK Blvd., Philadelphia.

The following members of the Authority were present at the meeting:

Barbara Adams
Christopher A. Lewis
Ken Ogawa (by phone)
Emily Schapira
E. Mitchell Swann

Also present at the meeting were: Adam Agalloco, Energy Manager, Office of Sustainability; Roger Clark, Consultant to PEA.

Members of the Public in attendance included: Nancy Mifflin, American Association of Blacks in Energy

Call To Order

Mr. Lewis (Chair) called the Meeting to order. Mr. Lewis determined that a quorum was present and confirmed that the Meeting was properly advertised.

Approval of the Minutes

As the first order of business, Mr. Lewis moved that the Authority approve the minutes from the prior meeting held on May 25, 2016 (“Prior Meeting”). Minutes were provided to the members in advance of the meeting. Upon motion duly made and seconded, the Board approved the minutes with minor, non-substantive changes.

Public Comments

Mr. Lewis asked for comments from the public. No public comments were offered.

Chair’s Report

Mr. Lewis declined to provide a Chair’s report.

Executive Director’s Report

Review of Financial Statements

Ms. Schapira facilitated a review of financial statements for June 2016, August 2016 and discussed the FY2017 budget request with the board.

FY17 Budget Update

The FY17 budget was approved by the City at \$518,000, which was a significantly reduced budget from the original request of \$743,000. Because Jill Kowalski, former Executive Director left, the board agreed that using Jill's prior salary to hire two new staff people, a Coordinator and a Program Manager, was the right way to fill the gap.

Ms. Schapira noted that there was an error in the budget revision process which eliminated the printing budget, which she intended to take from the \$75,000 consulting budget for this year.

Mr. Lewis asked whether the FY17 funds had been dispersed to PEA yet. Ms. Schapira said that they had not yet been received.

Mr. Lewis explained a request from the Deputy Managing Director's office that PEA establish milestones for success that would accompany the FY18 budget. Mr. Lewis and Ms. Schapira explained a meeting they had with Brian Abernethy (Deputy Managing Director), J. Barry Davis (City Law Department), Christine Knapp and Adam Agalloco in which Mr. Abernethy suggested that the FY18 budget be disbursed in installments rather than all at once at the beginning of the year. Mr. Lewis and Ms. Schapira did not agree to that request, and the matter remains pending. Ms. Schapira indicated that in discussing the matter with other City and Council employees, this type of disbursement is common with very large departmental budgets typically in the tens of millions of dollars. Mr. Lewis will follow up with Mr. Davis.

Mr. Ogawa reiterated his previous concern that PEA should have six months of payroll on reserve, which would be at least \$168,000. Mr. Lewis suggested that we table this discussion and discuss further when we begin development of the FY18 budget.

Mr. Lewis suggested that the board vote on Resolution III-1: Approval of Changes to FY2017 Budget.

RESOLUTION III-1: APPROVAL OF CHANGES TO FY2017 BUDGET

RESOLVED, that the Board of Directors of the Philadelphia Energy Authority (the "PEA") approves the FY2017 budget as amended and approved by City Council and the Managing Director's Office, in the form attached hereto, as the official budget for FY2017, in the amount of \$518,000, including all appropriate personnel actions within said budget.

Ms. Schapira abstained from voting. Upon motion duly made and seconded, the Board approved the resolution with no changes.

Hiring

An offer was extended to Chelsey Lowe for the position of Program Coordinator. She will begin on September 26, 2016. Ms. Schapira indicated a target of the end of October for hiring a Program Manager. The recruitment process for hiring included an outreach list of 100 individuals and

organizations compiled by Ms. Schapira with help from Ms. Mifflin and AABE, and also included broadcasting the job description on social media.

Mr. Lewis suggested that there had not been a formal vote on appointment of Emily Schapira as Executive Director of the Philadelphia Energy Authority. A resolution was submitted to do so.

RESOLUTION III-2: RATIFICATION OF EXECUTIVE DIRECTOR APPOINTMENT

RESOLVED, that the Board of Directors of the Philadelphia Energy Authority (the “PEA”) ratifies the appointment of Emily A. Schapira to serve as Executive Director.

Mr. Swann moved to approve the resolution, which was seconded by Ms. Adams. Ms. Schapira recused herself from voting. The motion was approved.

Ms. Schapira provided an update on interns. She has 3 interns for the fall semester, and access to up to four City Council fellows, including one dedicated for PEA. The interns include Ellie Horner, Shawn Hogan and Laura Rigell. Ellie and Laura are returning interns from this summer, and are paid for by Penn. Penn pays \$16/hour and the City Council Fellows program pays \$12/hour.

FY16 Financial Audit

Ms. Schapira reported on the FY16 audit. We received a reduced rate from our auditors for this year since our revenue was small in FY16. This was the first year PEA conducted a complete audit, and not just a review. Mr. Ogawa clarified the audit must be submitted to the Commonwealth by September 30, 2016.

Operations Update

PEA was assigned new office space in room 566 of City Hall. Some renovations have to occur before moving to the 5th floor. The new office is 450 square feet and will utilize City Council’s wifi network, which will save PEA \$150/month.

Philadelphia Energy Campaign Update

Ms. Schapira explained that the roadmap and progress report is in development, targeting a release at the end of October to the public. The board and key stakeholders will be able to review a draft by the end of September. PEA is working with Roger Clark and Nancy Mifflin as consultants on the roadmap.

PEA is working with Maskar again for graphic design services. They are the same firm that formatted the Campaign launch report in February 2016.

Ms. Schapira issued an RFP for developing the job creation tracking methodology on August 25, 2016 and received 3 responses. Bidders included the American Council for an Energy Efficient Economy (ACEEE), eConsult Solutions and Breakthrough Marketing. Proposals are in review now and a vendor will be selected shortly.

Stakeholder Engagement

Ms. Schapira outlined over 100 recent stakeholder meetings and presentations, and in particular highlighted three presentations – at the Urban Affairs Coalition Community and Economic Development committee meeting, at the Philadelphia Association of CDCs Housing committee meeting, and at the Commerce Department’s Business Services staff meeting.

She mentioned an energy salon we are working on with Wharton Management 100 students focused on public health and energy efficiency. Ms. Schapira will also be speaking at the Drexel Energy Futures conference in November, the KEEA Conference in Harrisburg on October 25 and the ECA Conference at Temple on November 17, 2016.

Small Business Sector

Mr. Swann recommended reaching out to the Hispanic Chamber of Commerce and the 52nd Street Corridor.

Ms. Schapira described the program and goals. Our partner, Penn State, hired 18 interns during the summer, with a goal of completing 30 audits by the end of September, 60 audits by June and 30 completed retrofits. She explained the matching funds grant from the PA Department of Environmental Protection.

Mr. Lewis asked whether we are focusing on owned versus tenant-occupied buildings. Ms. Schapira indicated we are targeting both. The board discussed the details of the program. Mr. Ogawa asked whether we had identified financing partners yet. Roger Clark provided an update on some of the financing options available. Ms. Schapira detailed her recent conversations with external partners including BlocPower, Renew Energy Partners and others. She also explained utility rebate programs that apply. Mr. Swann provided a number of contacts at community lenders to reach out to.

Mr. Ogawa encouraged Ms. Schapira to keep Act 129 issues on our list of policy priorities for advocacy purposes.

Multi-Family Residential Pilot

Ms. Schapira described the partnership with BlocPower, which has a software energy modeling tool that takes data from controls systems to determine the best big system upgrades for multi-family buildings. The board discussed the parallels between BlocPower’s New York program and our housing stock and programs. Ms. Schapira explained BlocPower’s financing model and the connection they have provided to lenders.

Mr. Swann asked what volume of projects we’re looking for during the entire campaign. Ms. Schapira estimates the pilot cost will be \$500,000 to \$1M but that we ultimately want to create a much larger annual pool on the order of \$20M+.

Ms. Schapira detailed her collaboration with PECO, which has been very productive and outline the new PECO low income program that is part of Act 129. She explained that by partnering with PECO we can

keep audit costs low while also incorporating natural gas measures, expanding on their existing program. Mr. Agalloco suggested looking at PJM programs for commercial building rebates.

Single Family Residential Program

Ms. Schapira described PEA's participation in City Council's Housing Preservation initiative. She stated that PHDC has been very collaborative and shared their waitlist for the Basic Systems Repair program to allow PEA to perform some analysis.

Schools Sector

Ms. Schapira detailed a report completed by summer intern, Laura Rigell, on solar at the Philadelphia School District. Ms. Rigell conducted analysis on 18 schools and provided concrete cost data showing that solar projects would break even with current energy spend. She explained the solar training program PEA is working on in partnership with Solar States and the Clean Air Council, expanding upon their existing program at Youthbuild Charter School. She also mentioned the SolarCity training partnership at the Navy Yard. Ms. Schapira outlined ways she is evaluating to subsidize solar for the School District.

Ms. Schapira met with the Career and Technical Education leadership at the School District, who are going to provide details on CTE programs from the State.

Ms. Schapira mentioned there is a new training partnership between ECA and Community College of Philadelphia for HVAC training that could fit nicely with the controls technician training Ms. Schapira is working on setting up with ECA and OIC Philadelphia. Mr. Swann and Ms. Schapira will follow up with CCP.

Update from Adam Agalloco on City Sector

Mr. Agalloco shared progress on development of the new GreenWorks report and the Energy Master Plan. They had an Energy Master Plan kickoff the week of August 29, 2016. Mr. Agalloco is also focused on other capital projects, including a \$675,000 project at the Fire Administration building, which includes a building control system and upgrades to hot water, chillers and lighting.

Mr. Agalloco previewed an RFI he and Ms. Schapira are working on for citywide renewables, that he expects to go out sometime soon. He mentioned he is working on an RFQ for an Art Museum efficiency project, and is still working on LED streetlighting.

Mr. Agalloco provided an overview of the one-year review of the Quadplex GESA project, which is exceeding savings projections.

Treasurers' Update

Mr. Ogawa and Ms. Schapira presented the financial statements and budget reviews. The board discussed financial statement formatting.

Adjournment

Ms. Adams moved to adjourn the meeting, which was duly seconded and approved.