

**Philadelphia Energy Authority**  
**Minutes of the Quarterly Meeting of the Board of Directors**  
***October 22, 2018***

The quarterly meeting (“the Meeting”) of the Board of Directors (the “Board”) of the Philadelphia Energy Authority (“the Authority”) was held on October 22, 2018 beginning at 4:30pm at Philadelphia City Hall, Room 576, 1400 John F. Kennedy Blvd., Philadelphia, PA 19107.

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

Christopher A. Lewis  
Barbara Adams  
Adam Agalloco  
Barbara Moore  
Emily Schapira  
E. Mitchell Swann

Also, present at the Meeting were: Christina Coleman (Chamber PHL), Meenal Raval (citizen), Adam Landau (Liberty Permit), Lynn Robinson (Neighbors Against the Gas Plant), Boris Brevnov (Liberty Permit), Maxine Dixon (PEA), Laura Rigell (PEA), Ben Vila (PEA)

**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**

Mr. Lewis asked that the Authority approve the minutes from the prior quarterly meeting held on July 18, 2018 (“Prior Meeting”). Minutes were provided to the members in advance of the meeting. Upon motion duly made by Ms. Adams and seconded by Mr. Swann, the Board unanimously approved the minutes.

**Public Comments**

No public comments.

**Chair’s Report**

Mr. Lewis elected to move on directly to the Executive Director’s Report in the interest of time.

**Executive Director’s Report**

Ms. Schapira (Executive Director), Adam Agalloco (City Energy Manager) and members of the PEA team provided program and operational updates.

### **Operational Updates**

The FY2019 grant budget from the City has not yet been received. The budget passed by City Council appropriated \$843,000 for PEA for FY2019. PEA received a letter in July from the Managing Director's Office ("MDO"), which stated that, due to budget issues, PEA will only receive \$625,000 and additional reporting from PEA was requested. The remaining \$218,000 could be allocated at MDO's discretion. Ms. Schapira expected that these additional funds would be re-appropriated by City Council this Fall/Winter through a transfer ordinance. No FY2019 funding has been received.

To supplement the City grant and ensure PEA is able to continue its programming even when there are delays from the City, PEA is fundraising from other sources and is expecting \$166,000 in grants in FY2019. PEA is applying for an additional \$3.7 million in grants for other programs and will receive \$400k+ in revenue from programs.

PEA is asking City Council to amend PEA's founding ordinance to clarify PEA's role and ability to issue bonds.

### **Program Updates**

#### **City Projects (Mr. Agalloco)**

The City of Philadelphia was selected as a Bloomberg Challenge Winner, led by the Office of Sustainability.

At the Art Museum, lighting has been completed in the garage area, and valve replacements and a new chiller are the next items for the project. In December, the EOP Oversight Committee will hold its next meeting to ensure the vendor, Johnson Controls, is meeting their diversity commitments.

#### **School District**

The School District is in the middle of the construction phase of the Energy Performance Contracting pilot in three high schools. Lighting has been completed at Northeast High School and tours for City Council members, the School District and members of the public will take place soon. In addition, Laura Rigell, PEA's Solar Manager is working with PECO on an updated solar assessment for solar PPAs at District schools.

#### **Solarize Philly**

PEA has found a partner for their low- and moderate-income (LMI) solar pilot to provide tax equity (Sunwealth LLC). The solar projects for LMI are projected to be installed by March 31st. Five households are already in the pipeline with 45 spots in total available. The Solarize Philly's Phase 2 purchasing option is now closed. Final stats of the program were:

- 360+ solar contracts
- 1.6 MW Solar Capacity
- \$5.6 Million Invested
- 52 jobs created.

### **Small Businesses**

70 energy audits have been completed, all in underserved neighborhoods, with the first project closed in October. PEA is working with Lime Energy to include retrofits that are not typically implemented through PECO's Act 129 Small Business program.

### **Commercial Property Assessed Clean Energy Financing (C-PACE)**

C-PACE, a financing vehicle by which commercial and industrial properties can finance long-term energy projects via their property tax bill, has been authorized at the State level and signed by Governor Wolf. In order to make C-PACE available in Philadelphia, City Council must adopt an enabling ordinance. PEA's charter is clear about our organization's role in this type of initiative, and PEA should be the C-PACE administrator for Philadelphia. The Sustainable Energy Fund ("SEF"), a non-profit energy lender based in the Lehigh Valley, has volunteered to be the administrator for the rest of the state. Three stakeholder meetings, in partnership with SEF, the PA Department of Environmental Protection and the Pittsburgh Office of Sustainability, are being held statewide to discuss program design and implementation. PEA is in the process of hiring a consultant who will work on the enabling ordinance and program design.

### **Water and Sewer Service Line Protection Program**

The launch of the program will be announced publicly on October 30, 2018. PEA will be joined by Councilman Green and representatives from our selected vendor, American Water Resources ("AWR") for a press conference. PEA expects this program to accelerate the pace at which leaky service lines are repaired, which will save the Water Department hundreds of thousands of dollars in energy annually. AWR predicts an additional 5,000 line repairs on top of what is already being done by the Water Department.

#### **RESOLUTION 10222018 - 01: AUTHORIZING THE CONTRACT BETWEEN PEA and AWR**

**"RESOLVED**, that the Board of Directors of the Philadelphia Energy Authority authorizes the Executive Director to execute the contract with American Water Resources for the purpose of administering the Water and Sewer Service Line Protection Program

Approval of the contract subject to the changes discussed in section 4.1 to specific payment terms are only in effect if contract agreement is renewed.

Ms. Adams made a motion to adopt, Ms. Moore seconded, and the resolution passed unanimously.

### **Treasurers' Update**

Mitchell & Titus has finished the annual state-required audit. Ms. Schapira walked through financial statements showing that PEA ended FY18 under budget due to grants being used to supplement and some activities being pushed to FY19.

#### **RESOLUTION 10222018 - 02: ADOPTING THE ANNUAL AUDITED FINANCIAL REPORT FISCAL YEAR 2018**

**"RESOLVED**, that the audited financial report for Fiscal Year 2018 be formally adopted by the Board of Directors of the Philadelphia Energy Authority."

Ms. Adams moved to adopt, Mr. Agalloco seconded and the resolution was passed unanimously.

### **Liberty Energy Trust Presentation**

Boris Brevnov gave an overview presentation of the Passyunk Energy Center, PGW's proposed Liquefied Natural Gas project.

### **New Business**

Mr. Agalloco suggested creating a PEA policy around best practices for programs that involve a concession payment to PEA, as well as how PEA will advertise for large contracts. The Board agreed to continue discussion on both policies.

### **Adjournment**

Mr. Lewis moved to adjourn the meeting, which was duly seconded and unanimously approved.