

## PHILADELPHIA ENERGY AUTHORITY

### Minutes of the Meeting of the Board of Directors of The Philadelphia Energy Authority

January 5, 2012

A meeting (the "Meeting") of the Board of Directors (the "Board") of The Philadelphia Energy Authority (the "Authority") was held on January 5, 2012, beginning at 4:30 pm, in the Municipal Services Building, 1401 JFK Blvd., Room 1450, Philadelphia, Pennsylvania.

The following members, constituting all of the members of the Authority, were present at the Meeting:

Barbara Adams  
Christopher A. Lewis  
Kenneth Ogawa  
Emily Schiller  
E. Mitchell Swann

Present at the Meeting by invitation of the Authority were Andrew Stober, Chief of Staff of the Mayor's Office of Transportation and Utilities, J. Barry Davis, Chief Deputy City Solicitor, Sam Robinson of the City Solicitor's Office, Al Childs, Executive Director of the Philadelphia Municipal Authority, and Geoffrey Schwartz of Blank Rome LLP.

Also present at the Meeting, by invitation of Mr. Stober, was Noel Chesser, of EnerNOC.

Wayne Barnett, of Constellation Energy, was the sole member of the public in attendance at the Meeting.

#### **Call to Order**

Mr. Lewis called the Meeting to order and asked Mr. Schwartz to serve as the secretary of the Meeting for the purpose of taking the minutes of the Meeting. Mr. Lewis determined that a quorum was present and that the Meeting was ready to transact business.

#### **Approval of Minutes of Initial Organizational Meeting**

As the first order of business, Mr. Lewis made a motion that the Authority approve the minutes of the initial organizational meeting of the Authority held on November 1, 2011 (the "Organizational Meeting"), which minutes were provided to the members in advance of the Meeting. Upon motion duly made and seconded, the minutes from the Organizational Meeting were approved by the Board.

#### **Ratification of Actions Taken at Initial Organizational Meeting**

As the next order of business, Mr. Lewis made a motion that the members of the Board ratify all actions taken by the Board at the Organizational Meeting. Upon motion duly made and seconded, the following resolution was approved and adopted by the Board:

**RESOLVED**, any and all acts and actions taken by Board of the Philadelphia Energy Authority at the initial organizational meeting on November 1, 2011 are hereby ratified, confirmed and approved in all respects.

**Approval of Mission Statement**

As the next order of business, Mr. Lewis made a motion that the members of the Board approve a Mission Statement for the Authority. Upon motion duly made and seconded, the following resolution was approved and adopted by the Board:

**RESOLVED**, that the Philadelphia Energy Authority hereby approves and adopts the following Mission Statement:

**MISSION STATEMENT**

Energy costs are a significant concern for the City of Philadelphia, and other government agencies and local institutions, and are an important factor in decisions made by businesses concerning locating, expanding, and retaining facilities in the City of Philadelphia. The reduction of City-wide energy use and the development and utilization of clean, renewable energy are objectives of the City of Philadelphia.

The Philadelphia Energy Authority is a municipal authority organized by the City of Philadelphia to identify, support, facilitate, develop and collaborate with City stakeholders on opportunities for reducing energy costs, enhancing energy efficiency, obtaining clean, renewable and affordable energy supply, and reducing energy consumption.

Our primary mission is threefold: (1) to identify, support and facilitate the most cost-effective and environmentally sound opportunities for the City of Philadelphia to reduce energy usage and expense, (2) to promote and assist the development of alternative sources of energy, benefitting the retention and development of a local workforce which is essential for the economic prosperity of the City; and (3) to educate Philadelphia's consumers (including residential, commercial and public sector audiences) regarding choices available in the energy marketplace and leverage our energy expertise to improve the health, safety and general welfare of the City of Philadelphia.

**Presentation on the Philadelphia Municipal Authority**

As the next order of business, Mr. Lewis invited Mr. Childs to provide an overview of the Philadelphia Municipal Authority (the "PMA"). Mr. Childs described the functions of the PMA and suggested that the PMA may be able to provide certain administrative services to the Authority. He estimated that such services could likely be provided for \$50,000 per year.

Mr. Childs also commented on the City's budget process and offered to work with the Board in strategizing as to how to position the Authority for funding in the next budget cycle. Mr. Swann indicated that he would work with Mr. Childs in this respect.

Mr. Stober suggested that the Board document its anticipated expenses and activities in order to support any requests it intends to make for funding in the next budget.

Mr. Childs suggested that, for its initial audit, the Authority may be able to obtain the services of the PMA's auditor, Mitchell & Titus, LLP, on a discounted or even pro bono basis.

#### **Presentation of the City's Electricity Procurement Strategy**

As the next order of business, Mr. Lewis asked Mr. Stober to give a presentation on the City's electricity procurement strategy. Mr. Stober introduced Mr. Chesser, whose company EnerNOC is a consultant to the City on electricity procurement. Mr. Stober and Mr. Chesser discussed measures the City has taken to procure electricity and manage costs, including through entering into hedging arrangements.

#### **Discussion of 2012 Initiatives**

As the next order of business, Mr. Lewis proposed that the Board discuss initiatives the Authority may want to focus on in 2012.

The Board discussed the exploration of additional ESCO projects as one possible initiative.

A suggestion was also made that the Board hold a public input meeting in the second quarter of 2012 to receive feedback from the public and provide the Authority and others invited by the Authority the opportunity to speak and make presentations to the public on the Authority's initiatives and other energy related issues.

Mr. Lewis proposed that the Authority consider briefing City Council, or certain Council members, on the Authority's activities to date, as well as its proposed activities for 2012.

#### **Public Comment**

As the next order of business, Mr. Lewis asked for comments from the public. Mr. Barnett, the sole member of the public in attendance, introduced himself but did not have any comments.

#### **Adjournment**

There being no further business to come before the Board, on motion duly made and seconded the Meeting adjourned until the next meeting of the Board, scheduled for April 5, 2012.

Respectfully submitted,

Secretary to the Board of Directors