

## Philadelphia Energy Authority

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

February 24, 2016

The quarterly meeting (the "Meeting") of the Board of Directors (the "Board") of The Philadelphia Energy Authority (the "Authority") was held on February 24, 2016, beginning at 4:30 PM, in the Municipal Service Building, 1401 JFK Blvd., 16<sup>th</sup> Floor, Innovation Lab, Philadelphia, Pennsylvania.

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

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

Present at the meeting were Jill Kowalski, Executive Director, Philadelphia Energy Authority, Adam Agalloco, Office of Sustainability

Members of the public in attendance at the Meeting include:

Morgan Abele (PULB) John Bowie (Serenity Solar), Mike Cunningham (Devine Brothers), Michel Farag (PGW), Chris Goy (City Council), Robert J. Grillo (Modus3D), Michael Heaney (Taxpayer), Christine Knapp (Office of Sustainability), Mark King (Independent), Michael Kopistansky (Ameresco), Jackie Linton (City of Philadelphia), Amy Mcilvaine (GE Intelligent Cities), Ray Morris (Wonesco), John Murray (PGW), David Steinberg (Sustainable Jersey), Chris Thurber (Independent), Michael Truax (City Council), Logan Welde (Clean Air Council)

#### **Call to Order**

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

#### **Approval of Minutes**

As the first order of business, Mr. Lewis made a motion that the Authority approves the minutes of the meeting of the Authority held on October 8<sup>th</sup>, 2015 and November 24<sup>th</sup>, 2015 ("Prior Meeting"), which the minutes were provided to the members in advance of the Meeting. Upon motion duly made and seconded, the Board approved the minutes.

#### **Public Comment**

Mr. Lewis asked for comments from the public.

David Steinberg, Sustainable Jersey, commented that on page 6 of the Greensworks Progress Report that the energy consumption rose 6% instead of decreasing. He continued that the City of Philadelphia spent \$100,000 for reporting energy consumption. His question was "Does the city plan on reporting this data, and if so when?"

Mr. Lewis answered that Adam Agalloco of the Energy Office was present and asked him to address Mr. Steinberg's question during his report later in the meeting.

John Bowie, of Serenity Solar commented that he has greatly appreciated the Energy Campaign proposal. His group, Serenity Solar, has provide energy related jobs to low income residents in the community. On May 1<sup>st</sup>, 2016, his group will install its first solar installation at 1209 Wesley Ave., and he would love to be a participant of Energy Campaign.

Chris Goy, of President Clarke's office, City Council commented that there is an increase of city operating cost due to Energy Campaign. He has appreciated the public's participation. A transfer ordinance was introduced to City Council, and on Monday, March 7<sup>th</sup> from 1:00 pm to 3:00 pm, there will be an Appropriations Committee hearing. Final vote and passage for this bill will take place on Thursday March 17<sup>th</sup> during normal Council sessions

No further public comments were heard.

### **Chair's Report**

#### **i. Meeting Reports**

Mr. Lewis updated the Board that the members of the Energy Authority have been working on job creation plan for City Council President Clark targeting the creation of 10,000 jobs, from \$1 billion in public/private financing for energy efficiency projects, focused on 4 sectors. There was a recent announcement in City Hall, with an informative catalog of an in depth report on campaign available on website.

Mr. Lewis recognizes Emily Schapira for her heavy lifting with the Energy Campaign, in addition to the work performed by Jill Kowalski.

### **Move of Resolution**

Mr. Lewis moved for a resolution to recognize Jackie Linton. The Energy Authority formally recognizes Mrs. Linton for her leadership during their strategic planning process.

### **Energy Office Update**

Mr. Agalloco provided an update from the Energy Office

The Energy Office is looking at weatherization normalization, along with other metrics. The Energy Office is evaluating the appropriate metrics. Weather normalization may make sense for the General Fund but may not for Aviation and Water funds. Mr. Agalloco answered Mr. Steinberg's question, responding that the data is readily available on the Energy Office's website for city facilities.

#### **46<sup>th</sup> & Market Street – Public Safety Campus Update**

The Energy Office is waiting for direction from administration for next steps. Financing is biggest hurdle going forward.

#### **Quadplex Update**

The first quarterly performance report for the Quadplex was just received last week. It has been returned to NORESO for refinement and clarity on savings. No clear summary was provided. The City has requested quarterly savings reports vs. annual so they can respond to issues in a timely manner. The quarterly reports are already 2 months delayed.

The City is looking at energy consumption on real time basis with their building monitoring system. They are able to evaluate if buildings are appropriately shutting down at night and on holidays.

Ms. Schapira stated that she knew job creation numbers were not tracked for the Quadplex project and requested that they be tracked moving forward. Mr. Agalloco shared that job creation numbers for the Quadplex were estimated at the beginning of the project but were not back checked. Ms. Schapira requested that the original estimates be shared with PEA.

Mr. Ogawa inquired about the 1<sup>st</sup> quarter M&V data results for the Quadplex. Mr. Agalloco responded, there was not a summary of the overall performance. The Energy Office still needs to clarify the data and is requesting more conclusive reporting from NORESO on a quarterly basis.

Mr. Ogawa inquired about an increase or decrease in maintenance feedback. Mr. Agalloco answered, that capital dollars are being saved through better performance. The specifics of the energy performance still needed to be seen. The buildings have been participating in demand response and peak load reduction for the past five years. Low hanging fruit in buildings has been pursued, any further improvements would require a "deeper dive". There has been no noticeable increase or decrease in general comfort level feedback from of workers in buildings.

#### **Energy Procurement Update**

The City strategically procures energy supply across the board. In November of 2015, they switched their electricity supplier to Direct Energy for FY 17. A procurement ordinance was passed by Council providing the Energy Office the authority to procure a portion of the City's electricity through FY 18 (20%) and FY 19 (15%). Now is a great time to buy energy due to low rates and provides budget certainty but there is a cost premium for locking in.

The Office of Sustainability has met with the Budget Director to discuss the procurement process and is educating the new administration on the process and their role.

Mr. Goy asked Mr. Agalloco if the Energy Office has explored forward purchasing gas for fuel fleet. Mr. Agalloco responded that they are looking into making forward contract purchases to lock in current rates, but face a steep premium if they make purchases past FY 17.

### **Office of Sustainability Update:**

Mrs. Knapp began by stating that the Mayor's Office of Sustainability is now the Office of Sustainability. The continuation and update of Greenworks is a primary goal and is supported by Mayor Kenney. The Office of Sustainability plans to extend the scope of Greenworks both in timeframe and outreach. It will be expanded from the 8 year program to a 50 year mid-century program to recognize the long term project requirement and , incorporating the 80/50 goals. The Office of Sustainability is also looking at what worked and what didn't work in the original Greenworks. They are planning for a community feedback and expert meetings in the near future. These meetings will look at how Greenworks has affected the variety of stakeholders in city and increase community engagement.

Benchmarking is now being expanded to multi-family properties. This proposal will be open for a 30-day comment period for regulation change. With this change, 800 additional multifamily buildings will join the benchmarking system. Philadelphia is taking part of the Standard Energy Efficiency Data (SEED) collaborative, a free, open-source database platform to track the energy performance of over 2,800 buildings throughout Philadelphia. More information about this program can be found at this website, <https://greenworksphila.wordpress.com/2016/02/03/philadelphia-to-take-part-in-seed-collaborative/>

The next Benchmarking report will be available within 90 days.

There Energy Reduction Race awards will be announced in the Spring, awarding 3, \$5,000 rewards for buildings that voluntarily participated in energy consumption reduction.

Growing Stronger Report (climate adaption) and 80/50 Report by Drexel University are now available on the Office of Sustainability website.  
[www.phila.gov/green](http://www.phila.gov/green)

### **Executive Director's Report**

Mrs. Kowalski shared that there have been several operational/administrative changes for PEA since the last board meeting. As of January 4, 2016, by Executive Order 4-16, PEA is recognized as a non-city agency overseen by the Managing Director. It was previously under the Mayor's Office of Transportation & Utilities.

The transition from administrative and financial oversight from the Philadelphia Municipal Authority is complete. All records have been moved to the PEA office and Your Part Time Controller has migrated all financial records to an individual PEA Quickbooks account.

New office space is being explored for PEA. Mr. Goy and the Administration are working to find space. Two spaces in City Hall are being considered but they are not ideal.

On February 1, 2016 PEA submitted a grant application to the DOE for the Solutions to Improve the Energy Efficiency of U.S. Small & Medium Buildings grant. It is a \$2.4 million grant over 3 years with a 50% cost share requirement. PEA's application was entitled Small Commercial Buildings Energy Efficiency Finance Aggregation and will support the small business sector in the Philadelphia Energy Campaign through a pilot of 100 "corner store" businesses. CBEI was a critical partner in identifying the opportunity and facilitating the process. Award notification is expected in May 2016 September 1, 2016 is the anticipated start date. Cost share partners included: Penn State/CBEI, The Reinvestment Fund, PECO, PENNSEF, City of Philadelphia OOS, and DVGBC. PEA committed to approximately \$100,000/year in staff time.

Mr. Lewis inquired if the Commerce Department been notified of the grant submission.

Ms. Kowalski responded the timing of the grant was not conducive to a discussion with the Commerce Department (new administration) but was identified as a key stakeholder. Mr. Lewis stated that Commerce Department engagement should be a priority.

Mr. Ogawa stated that if and when award is won, higher legal and accounting cost will be accrued and need to be included in future budgets. An independent auditor is required of federal grants. Ms. Kowalski shared that a grant administrator is included in the draft budget in the grant submission.

## **Work Plan Update:**

### **Campaign Update**

Mrs. Schapira stated that the Energy Campaign is in the middle of a work planning process. Initial meetings are currently taking place. Ms. Knapp and Office of Sustainability are taking the lead in city portion of work. The PEA is giving its support when needed. There is a meeting with the school district coming up next week to review the Campaign goals and determine a starting point for the discussion moving forward. The small business portion is waiting for notification from the DOE and the grant. The

residential component requires a lot of legwork to adapt an “ESCO-like model” to residential properties. The PEA is currently meeting with a variety of stakeholders for their inputs.

Mr. Ogawa clarified that the Campaign is not limiting itself to financing through an ESCO, but using the model of aggregating smaller/individual buildings into an attractive financing package that uses the savings to fund the project.

Mr. Bowie shared that Serenity Solar has utilized a PPA model and been successful with crowd funding with minimal resources. They have a lot of data they would like to share. He will speak with Ms. Schapira after the meeting.

### **Energy Salons**

Mrs. Kowalski informed the public that the PEA has held three energy salons. They are composed of panels with a variety of views to discuss various energy topics. Energy salons took a pause during the Energy Campaign planning work, but Energy Salons will be restarted. She requested ideas from the public on Salon topics.

### **Treasurer’s Report**

Mr. Ogawa informs Board that the statement of cash flows is available on the table. There are no cash flow issues in projected expenditures.

### **New Business**

#### **Budget**

Mr. Lewis thanked Mr. Ogawa for working with Mr. Goy and Council President Clark’s office to figure out a supplemental budget for FY16 and draft budget for FY17. Mr. Lewis suggested that the Board approve the supplemental budget for FY 16 but defer the FY17 budget until personnel decisions are discussed.

Mr. Goy confirmed that no formal vote is required, but that the budget submittal will not go forward without PEA consent. The FY 16 supplemental budget is reflective of conversations with Administration, FY 17 still needs to be discussed.

Mr. Lewis resolved that the Board approve supplemental FY 16 budget. Moved by Mitchell Swann and seconded by Barbara Adams. Passed unanimously. Personnel matters need to be addressed within upcoming weeks during an executive session.

#### **Election of Officers for 2016**

Mr. Lewis moved that the officers remain unchanged for 2016 as follows:

Christopher Lewis – Chairman  
Emily Schapira – Vice Chair

Ken Ogawa – Treasurer  
Mitchell Swann - Secretary  
Seconded by Barbara Adams and passed unanimously.

Strategic Plan

Resolution: Approval of strategic plan as presented in the circulated handout. Moved by Emily Schapira and seconded by Ken Ogawa. Passed unanimously.

Presentation

Mr. Grillo, from Modus 3D G-ovis presented an informative on an intelligent asset visualization tool. Modus 3D merges GIS and AutoCAD into one platform and allows real-time data feed.

Mr. Lewis adjourns meeting

## Attendees:

<b>Name</b>	<b>Organization</b>	<b>Phone</b>	<b>Email</b>
Mike Cunningham	Devine Brothers	(610) 613-3916	<a href="mailto:cunningham@devinebrothers.com">cunningham@devinebrothers.com</a>
Barbara Adams	Philadelphia Energy Authority	(215) 850-0312	<a href="mailto:barabaraadams@gmail.com">barabaraadams@gmail.com</a>
John Bonk	Serenity Solar	(267) 398-2459	<a href="mailto:bonkjohn@gmail.com">bonkjohn@gmail.com</a>
Mark King	Independent	(484) 318-6927	<a href="mailto:Markking94@hotmail.com">Markking94@hotmail.com</a>
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Chris Goy	City Council	(215) 686-2092	<a href="mailto:Chris.goy@phila.gov">Chris.goy@phila.gov</a>
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