The quarterly meeting (“the Meeting”) of the Board of Directors (the “Board”) of the Philadelphia Energy Authority (“the Authority”) was held on October 30, 2019 beginning at 4:00pm at the Municipal Services Building, 16th floor, Room 5, 1401 John F. Kennedy Blvd., Philadelphia, PA 19102.

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

- Adam Agalloco
- Michael Kopistansky
- Christopher A. Lewis
- Barbara Moore
- Emily Schapira
- E. Mitchell Swann

Also present at the Meeting were: Alon Abramson (PEA), Eric Bell (Eastern Research Group), Baird Brown (Eco(n)law), Stephen Chausse (Neroesco), Zach Green (OOS), Mahvish Ilyas (PEA), Noor Kreidie (PEA), Jennifer Lessick (PEA), Nancy Mifflin (PEA), Maryrose Myrtetus (PEA), Mujahid Nyahuma (GC Energy Group), Laura Rigell (PEA), Marc Shackelford-Rowell (PEA), Lisa Shulock (PEA), Joe Wilson (PEA)

Call to Order
Mr. Lewis (Chair) called the Meeting to order at 4:37pm. Mr. Lewis stated that prior to opening the Meeting to the public the Board went into executive session to discuss a personnel matter and a procurement matter. 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 August 1, 2019 (“Prior Meeting”). Minutes were provided to the members in advance of the meeting. Upon motion duly made by Mr. Swann and seconded by Ms. Moore, the Board unanimously approved the minutes.

Mr. Lewis asked that the Authority approve the minutes from the Special Sessions held on October 3, 2019 and October 10, 2019. Ms. Schapira mentioned there was a typo in the October 3rd minutes that will get fixed. Mr. Lewis asked for a motion considering the amended minutes. Upon motion duly made by Ms. Schapira and seconded by Mr. Kopistansky, the Board unanimously approved the minutes.

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

Chair’s Report
Mr. Lewis sought the Board’s approval of the following resolutions:
RESOLUTION 10302019 – 01: ADOPTING EXECUTIVE DIRECTOR COMPENSATION PLAN

WHEREAS, the Board of Directors (“the Board”) of the Philadelphia Energy Authority (“PEA”) seeks to support the goals of the Authority by providing a compensation policy that will attract, retain and motivate a high caliber Executive Director to lead the PEA, and therefore be it

RESOLVED, that the Board approves the compensation plan outlined below for PEA’s Executive Director, which will require a document outlining Goals and Performance Metrics to be agreed upon by the Board and Executive Director, updated annually.

PEA Executive Director Compensation Plan

Components: The components of the Executive Director’s compensation are: (1) a Base Salary; (2) a discretionary cost of living adjustment (“COLA”); and (3) a discretionary merit bonus for exceptional performance.

Base Salary: As of July 1, 2019, the Base Salary for the Executive Director is $150,000 per year.

COLA: Effective July 1, 2019 and for each fiscal year thereafter, the Executive Director is eligible for COLA in an amount no greater than three percent (3%) of the Executive Director’s Base Salary. The COLA will be calculated by averaging two benchmarks: (i) the CPI-U for Philadelphia-Camden-Wilmington; and (ii) the Employment Cost Index for private industry workers, total compensation costs. The COLA may be awarded at the sole discretion of the PEA Board of Directors, after consideration of the PEA’s budget, the compensation of other City of Philadelphia employees and officials with commensurate or greater responsibility, and any other factors that the Board of Directors of the PEA shall deem relevant.

Merit Bonus: Effective July 1, 2019 and for each fiscal year thereafter, the Executive Director is eligible for a merit bonus for exceptional performance in an amount no greater than five percent (5%) of the Executive Director’s Base Salary, to be determined and awarded at the sole discretion of the PEA Board of Directors. In considering whether to grant a Merit Bonus and the amount of any such Merit Bonus, the PEA Board of Directors will evaluate the Executive Director’s performance in the prior fiscal year against the PEA Executive Director Goals and Performance Metrics that are attached to this policy.

The Board agreed that their decision for FY2020 was based on the attached document, with one exception: to remove item (a) from the “Key Metrics” section of Goal #3.

Upon motion duly made by Mr. Swann and seconded by Mr. Kopistsansky, the Board unanimously approved the resolution.

RESOLUTION 10302019 – 02: EXECUTIVE DIRECTOR FY2020 COMPENSATION
RESOLVED, that the Board of Directors (the “Board”) of the Philadelphia Energy Authority (the “Authority”) approves annual compensation for the Authority’s Executive Director for Fiscal Year 2020, beginning July 1, 2019, applied retroactively, with a base salary of $153,675 and a one-time merit-based bonus of $7,500.

Ms. Schapira recused herself from the vote. Upon motion duly made by Mr. Swann and seconded by Ms. Moore, the Board unanimously approved the resolution, with one recusal from Ms. Schapira.

Executive Director’s Report

Organization Updates
Ms. Schapira stated there were no major organizational updates. She did inform the board the retirement plan is up and running and there will be one last review with our financial advisor.

Program Updates

I. City Projects

The Philadelphia Museum of Art project remains under construction. Completion of project may be pushed to January or February 2020.

The Power Purchase Agreement with Adams Solar LLC has been signed by PEA, the City, and Adams Solar. In October, a meeting was held to discuss construction, and the start date for delivery of power will be May 2021.

The City is still in the contracting phase for an electric supplier, business monitoring company, and consultant from the three RFPs it released earlier this year.

II. School District

The School District EPC pilot is in its final stages. The projected saving numbers are better than anticipated with an average of 38% saving across the 3 schools.

The next round of schools have been approved. The School District will be issuing its first Green Bond for $30 million to finance this round (GESA-1).

III. Solarize Philly & LMI Solar Fund

PEA held Solar Week August 12-18, 2019. The week was full of solar-related events including an ice cream crawl, information sessions, a Solar Homes tour, release of PEA’s 2018 Annual Report and a bill signing by Mayor Kenney that signed into law CPACE and the new City Solar Rebate.
Since the first phase of Solarize Philly, over 6,270 sign-ups and over 550 contracts have been signed. Participants have until November 30 to sign a contract with a pre-approved installer.

For the implementation of the LMI Solar Pilot, PEA was working with Sunwealth over the last year. Sunwealth was willing to adapt their model for commercial solar to meet the needs of our LMI residential customers. Ms. Schapira walked the board through the ways in which that model added additional costs, and explained a re-designed financing model that minimizes both the costs to the consumer and the subsidy required from PEA. The new model is a subsidized loan product, rather than a lease or power purchase agreement, and PEA is intending to pilot that model using the National Energy Improvement Fund (NEIF) as the financing partner. Ms. Schapira asked that the Board consider the following resolution:

"RESOLUTION 10302019 – 03: RE-AUTHORIZE CONTRACTING FOR LOW- AND MODERATE-INCOME SOLAR FINANCING PILOT

WHEREAS, the Board of Directors ("the Board") of the Philadelphia Energy Authority ("PEA") passed a resolution in 2018 authorizing contracting for the low- and moderate-income solar financing pilot under a proposed lease structure (Resolution 112718-01), and

WHEREAS, the PEA staff have determined that the previously proposed structure was cost-prohibitive and would not provide the desired outcomes for participating households, and

WHEREAS, the Board has reviewed documentation related to the revised program proposal, and therefore be it

RESOLVED, that the Board approves the revised program structure in substantially the form attached and authorizes the Executive Director to enter into such contractual agreements as are required, in consultation with PEA’s legal counsel, to establish the Special Financing Pilot (the "Pilot") in partnership with the National Energy Improvement Fund to make rooftop solar accessible to low- and moderate-income households in Philadelphia through appropriate financial mechanisms.

IT IS FURTHER RESOLVED, that the Executive Director is authorized to spend program fees collected through Solarize Philly, which have been previously allocated for low- and moderate-income participation, to establish and execute the Pilot."

Upon motion duly made by Mr. Lewis and seconded by Mr. Kopistansky, the Board unanimously approved the resolution.

IV. Solar Training

The new cohort of solar training students started October 4th with 18 students from several high schools across the city. The class is being held at the Energy Coordinating Agency’s solar training lab on Fridays. The recruiting process for the Opportunity Youth cohort through PowerCorpsPHL is ongoing.
In order to establish a 3-year Program of Study through the PA Department of Education, PEA must create an Occupational Advisory Committee (OAC) to review and establish the appropriate task list. Led by Laura Rigell and Lisa Shulock, PEA created an OAC with 18 representatives from across the industry, and representatives from the School District of Philadelphia, PhiladelphiaWorks and Community College of Philadelphia. They have convened twice so far.

V. Water and Sewer Service Line Protection Program

As the Water and Sewer Line Protection Program closes out its first year, over 74,000 households have enrolled, and the program has saved homeowners over $5 million in line repairs and replacements. AWR is exceeding their M/WBE contractor participation. Our contract requires 60% and they are delivering over 70%.

VI. C-PACE

Philadelphia C-PACE has officially launched and the website is open for applications. PEA held a webinar with about 60 capital providers and other interested parties to go over the Program Guidelines. PEA expects to receive the first C-PACE application by the end of the year. New Program Manager, Maryrose Myrtetus, is working on a communications and outreach plan.

VII. Accelerate Philly Conference

Planning for the Philly-specific conference has ramped up over the last few months. There is a Steering Committee in place as well as a Host Committee, and Governor Wolf has agreed to serve as the Honorary Chair. City Council President Darrell Clarke will serve as the Chair. Previous Smart Energy Decisions conferences had limited topics around diversity and inclusion, so PEA is happy to have confirmed Rose McKinney-James and Darlene Phillips of PJM to lead that discussion.

Treasurer's Report

Ms. Schapira requested that the Board formally adopt the official FY2020 budget. PEA voluntarily reduced its budget request to the City by 13 percent. In FY19, the City budget allocation accounted for 88 percent of all PEA revenue. In FY20, it only accounts for 45 percent, due to PEA developing other sources of revenue.

“RESOLUTION 10302019 - 04: APPROVAL OF THE AMENDED FISCAL YEAR 2020 BUDGET

RESOLVED, that the Board of Directors of the Philadelphia Energy Authority (the “PEA”) approves the amended Fiscal Year 2020 budget as attached.”

Upon motion duly made by Ms. Schapira and seconded by Mr. Swann, the Board unanimously approved the resolution.
**New Business**
No new business.

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

The next quarterly board meeting of PEA has not yet been scheduled.

Respectfully Submitted,

Secretary of the Board of Directors