Philadelphia Energy Authority  
Minutes of the Quarterly Meeting of the Board of Directors  
February 12, 2020

The quarterly meeting ("the Meeting") of the Board of Directors (the "Board") of the Philadelphia Energy Authority ("the Authority") was held on February 12, 2020 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:

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

Also present at the Meeting were: Alon Abramson (PEA), Michael Bayesa (Energy Systems Group), Maxine Dixon (PEA), Mahvish Ilyas (PEA), Noor Kreide (PEA), Nancy Mifflin (PEA), Maryrose Myrtetus (PEA), Meenal Ravel (citizen), Laura Rigell (PEA), Joe Wilson (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 October 30, 2019 ("Prior Meeting"). Minutes were provided to the members in advance of the meeting. Upon motion duly made by Ms. Schapira and seconded by Mr. Swann, 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 recognized the success of the Accelerate Philly conference that took place on December 9 and 10, 2019. He acknowledged Ms. Moore for bringing the Smart Energy Decisions connection to the organization and the recommendation to host a conference.

As required by the bylaws in the first meeting of the calendar year, Mr. Lewis asked the Board to elect officers and presented the first resolution. Mr. Swann previously served as the Board Vice Chair and
Treasurer. New Board Member Mr. Kopistansky will now take on the role of Treasurer. Mr. Lewis asked if the Board would entertain a motion.

RESOLUTION 02122020-01: ELECTION OF OFFICERS 2020

RESOLVED, that the Board of Directors of the Philadelphia Energy Authority (the “PEA”) elects the following members to serve in the following positions for Calendar Year 2020:
Christopher A. Lewis as Chairman, E. Mitchell Swann as Vice Chair, Michael Kopistansky as Treasurer, and Barbara Adams as Secretary.

Upon motion made by Mr. Swann and seconded by Ms. Moore, the Board unanimously approved the resolution.

Executive Director’s Report

Organizational Updates
Ms. Schapira asked the board to approve an update to the Authority’s mission, vision, and values. The last time PEA did an update was 2015-2016. Updates were provided to the board prior to the meeting.

RESOLUTION 02122020 – 02: UPDATING PEA’S MISSION, VISION & VALUES STATEMENTS

WHEREAS, the Philadelphia Energy Authority (“PEA”) last developed mission, vision and values statements in 2016, prior to the launch of the Philadelphia Energy Campaign, and

WHEREAS, the Board of Directors (“the Board”) of PEA has participated in a workshop to develop an update, and has reviewed recommendations provided by PEA’s Executive Director, therefore be it

RESOLVED, that the Board approves an update to PEA’s official Mission, Vision and Values Statements in the form below.

Mission
2016: Drive and support the development of long-term energy projects, policy and education programs in Philadelphia.

2020: Be a catalyst for the growth of a robust, equitable, diverse clean energy economy in Philadelphia through the development of long-term energy projects, policy, education and market-building activities.

Vision
2016: Philadelphia will serve as a national model for implementing energy strategies which improve the health of the community and local economy.

2020: Philadelphia will serve as a model for leveraging clean energy to address the climate crisis, create local jobs, attract global businesses, drive economic development and improve the quality of life for its residents.

Values
2016: 1) Strategic Thinking, 2) Collaboration, 3) Results-Focused, 4) Transparency

2020: In order to achieve our goals, PEA subscribes to the following core values:

- Strategic Partnerships
- Diversity and Equity
- Transformational Impact
- Organizational Sustainability and Accountability

Upon motion made by Ms. Adams and seconded by Mr. Lewis, the Board unanimously approved the resolution.

Ms. Schapira continued with organizational updates about the PEA 2019 Annual Report (Year 3 of the Energy Campaign). This year's report will be a refresh of the previous design and is anticipated for release in early April.

Program Updates

1. City Projects

Mr. Agalloco, the City's Energy Manager, provided an update on City Projects.

The Adams Solar project developed by Community Energy has been sold to ENGIE as the owner-operator. The array will likely be built to 80 MW, though the City's contract currently only includes 70 MW. The City has not yet been officially offered the additional 10 MW. ENGIE will be hosting business opportunity and job fair events for local contractors, and for Philadelphia and Adams County residents to get involved with the implementation of the project.

Mr. Agalloco provided a brief description of a new ruling from the Federal Energy Regulatory Commission (FERC), the Minimum Offer Price Rule (MOPR), which changes the ability of renewable energy projects to receive compensation through PJM capacity markets. The ruling has not yet been finalized. The ruling would affect the finances of the Adams Solar project, and a contract amendment could be required. The City and ENGIE are working on a solution and ENGIE believes the project is still viable even if the ruling moves forward.
The City released an update to its Municipal Energy Master Plan, which highlights how we are doing on the City's energy and climate goals and sets the path forward. PEA and the City have also released an RFQ for LED streetlighting. The deadline to submit a response is March 12, 2020.

II. Solarize Philly & LMI Solar
Ms. Rigell, PEA's Solar Manager, provided an update on Solarize Philly. Phase 3 of Solarize Philly ended with 291 additional contracts signed which is about 100 more contracts than in previous phases. The increase is attributed to a number of factors: improved PEA operational practices that led to a much higher rate of referrals from leads, the use of a single intake form, PECO's online waiver tool for capturing electricity bills, the federal Investment Tax Credit beginning to step down, and buzz over the City Solar Rebate. Installers have reported 22 direct jobs have been created in Phase 3.

Quality assurance inspections on the solar installed in this phase is currently being completed. PEA is internally evaluating Phase 3 and plans to open for a 4th phase in April. PEA has continued to work on the low- and moderate-income program and installs are planned to be completed by the end of June for the first cohort.

PEA has been assigned by the Office of Sustainability to be the Administrator for the city solar rebate. The regulations have been posted, and a hearing on the regulations is scheduled for February 19, 2020. There is a bill in City Council currently that provides a correction to the definitions on the solar rebate, and a public hearing for that change is scheduled for February 25, 2020 at 1pm.

Other legislation pertaining to solar that passed with the help of PEA were the solar canopy bill and solar building permit fees cap bill.

III. Solar Training
The solar training program (Bright Solar Futures) currently has two classes in session. The first is off-site at ECA on Fridays for CTE high school students. The class includes 9 students from across 6 schools throughout the district. These students will be eligible for internships in the summer of 2020. The second class is for Opportunity Youth, who are young people between the ages of 18 - 30 who are out of school, out of work, or underemployed. These students are following a fellowship model developed through PowerCorpsPHL. They use AmeriCorps funding to pay the students for their training and PEA funds the instruction through our US Department of Energy grant.

The CTE Solar Program of Study will be housed at Frankford High School. This will be the first time the PA Department of Education has approved a program that is not already on the list of CTE programs of study that was proposed by the Philadelphia School District. We are currently conducting outreach to recruit 9th graders to sign up for the Fall program. The Frankford Solar Lab is currently being designed and fundraising has commenced. A crowdfunding page has been setup for anyone who would like to donate but was specifically set up at the request of Frankford High School Alumni (who graduated between 1945 and 1965).

IV. Water and Sewer Service Line Protection Program
Mr. Abramson provided an update on this program. The Water and Sewer Line Protection Program has been an incredible success. The program peaked enrollment at the end of the first year with 77,500 customers. Customers have saved over $6 million in avoided costs, and American Water Resources exceeded their M/W/DBE requirement of 60% for contractor participation. Over 74% of all work was done by M/W/DBE, local contractors.

The Water Department has begun to list our program as an option when a Notice of Defect (NOD) is issued. If a customer is not enrolled, they can get a fixed price on a repair or replacement through AWRs On Demand program.

At the request of Council Members, PEA is further exploring a variety of other services currently offered by AWR in other markets to identify those that might be appropriate for Philadelphia.

V. Commercial Property-Assessed Clean Energy financing (C-PACE)
Ms. Myrtetus provided an update on C-PACE. Since the C-PACE launch in October, PEA has gained a lot of traction on marketing, outreach, and education efforts. There is a robust pipeline of about 3 dozen projects and 3 pre-applications have been submitted. We expect the first project to close in the next few months. The minimum project size is $100,000. Nonprofits are able to participate.

VI. Accelerate Philly Conference
PEA hosted an energy conference in Philadelphia with the help of Smart Energy Decisions (SED), attended by 119 registered attendees across 65 organizations. SED will be hosting another conference in Philadelphia in September 2020 with expanded scope to include both local and national issues.

VII. Built to Last
Mr. Abramson provided an overview of a new PEA initiative focused on low-income owner-occupied single-family housing called Built to Last. This platform is still under development but has developed a robust coalition across more than 20 key community development and housing services partners. Mr. Abramson is currently applying for grants and working with partners and consultants to build out the platform, model the implementation and build systems and ongoing funding necessary for success. We are targeting our first pilot going to construction in May 2021. More details to come.

Treasurer’s Report
Ms. Schapira, in consultation with Mr. Swann, provided an overview of PEA’s financial position, reviewing financial statements attached ending December 31, 2019, representing the first six months of the fiscal year. PEA is currently in a positive financial position and Ms. Schapira expects to spend 94% of the FY20 budget by the end of the fiscal year. Of note, the Project Consulting line item includes the $379,000 US DOE grant for Bright Solar Futures. Ms. Schapira mentioned that she has spoken with the City’s Budget Office and will be modifying the way this grant appears in future budgets and financial reports.

Because of the growth of the organization, Ms. Schapira asked the Board to approve a transfer from PEA’s General Fund to PEA’s Board-Designated Reserve Fund, which is designed to hold six months of
critical operational funds to ensure organizational continuity should another funding source be interrupted.

Ms. Adams suggested the Authority look into a higher yielding interest bearing account for this fund.

RESOLUTION 02122020 – 03: AUTHORIZING A TRANSFER OF FUNDS TO THE BOARD-DESIGNATED RESERVE FUND

RESOLVED, that the Board of Directors of the Philadelphia Energy Authority (the “PEA”) approves a transfer of $142,737 from the General Fund to the Board-Designated Reserve Fund (“BDRF”). Funds in the BDRF may be used for emergency payroll needs or as expressly approved by the Board. These funds also provide for emergency operational expenses including benefits, payroll taxes, legal advertising, accounting and legal fees. All interest earned on this account shall accrue to the BDRF and the same restrictions shall apply.

Upon motion made by Ms. Adams and seconded by Mr. Kopistsky, the Board unanimously approved the resolution.

Ms. Schapira then reviewed the program fees from the Water and Sewer Service Line Program. As the Board is aware, PEA designs initiatives to generate program fees so that the organization can grow without asking the City to provide additional funding. In this program’s first year, we could not have predicted the number of residents who chose to sign up, and both PEA and AWR were surprised at the enrollment numbers. The unexpected windfall from this program allows PEA to make strategic investments in the scale and impact of its work in order to meet the goals of the Energy Campaign, and Ms. Schapira has recommended that the Board encumber the funds for the following specific purposes:

RESOLUTION 02122020 – 04: AUTHORIZING THE ENCUMBRANCE OF FUNDS RECEIVED FROM CERTAIN PROGRAM FEES FOR CERTAIN SPECIFIC PURPOSES

WHEREAS, the Philadelphia Energy Authority (“PEA”) developed and administers a Water and Sewer Service Line Protection Program (“the Program”) from which it receives Program Fees (“Program Fees”) annually in proportion to the number of households that are enrolled, and

WHEREAS, the Program Fees can vary significantly year to year depending on fluctuations in enrollment making long-term budgeting difficult, and

WHEREAS, certain PEA programs cannot meet their impact goals or scale up to meet the goals of the Philadelphia Energy Campaign without subsidies or specialized financing, therefore be it...
RESOLVED, that the Board of Directors ("the Board") authorizes the FY20 Program Fees from the Water and Sewer Service Line Protection Program, in the amount of $1,262,365.09, shall be restricted in the following ways that help build the scale and impact of PEA’s work:

1. $362,365.09 shall be used to supplement the FY20 operating budget and may be rolled over into future fiscal years if unspent.
2. $400,000 shall be encumbered in a separate account dedicated solely to PEA Program Subsidies. This account shall be utilized to provide grants, loan loss reserves and other vehicles for subsidy for other PEA programs. All interest earned shall accrue to the Program Subsidies Fund and the same restrictions shall apply.
3. $500,000 shall be encumbered in a separate account dedicated solely to startup costs related to a Philadelphia Green Bank (or whatever name is ultimately given), which is a financing platform being developed to easily blend public and private funds to provide financing for clean energy initiatives, particularly those of PEA where other financing is unavailable or inappropriate. All interest earned shall accrue to the Green Bank Fund and the same restrictions shall apply.

Upon motion made by Ms. Lewis and seconded by Ms. Moore, the Board unanimously approved the resolution as stated above. Upon a recommendation from Mr. Agalloco, the language in the first sentence of Section 2 of the above resolution was changed from “Program Subsidies” to “PEA Program Subsidies”.

**New Business**
No new business was introduced.

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

The next quarterly board meeting will be held on August 26, 2020.

Respectfully Submitted,

[Signature]
Secretary of the Board of Directors