Board Update – Q3 FY20

May 6, 2020

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PEA COVID-19 Adaptation Update

• All programs fully operational
  • **Bright Solar Futures**: PowerCorps cohort moved online, High School cohort will complete over the summer through PYN WorkReady
  • **Philly Solar Rebate FY20**: Launched without press release, did targeted outreach to all Philly known solar installers and Solarize customers
  • **Solarize Philly Phase 4**: Launched on Earth Day
  • **Water/Sewer Service Line Program**: All emergency work, continued uninterrupted
  • **CPACE**: Continuing uninterrupted, CPACE provides COVID recovery value through retroactive financing and more.
PEA COVID-19 Adaptation Update

- Administrative operations occurring remotely
  - All Operations expenses are paid via ACH to limit physical check signing
  - Solar Rebate still using physical checks. Emily signs once a week w/ proper social distancing.
  - Approvals and signatures occurring via email and Adobe Sign. Maxine has the office printer.
- Providing employees with necessary home office tools & resources
- Conducted a cybersecurity audit, high marks
PEA Employee Handbook Update

• Family Leave Policy
  • Provides 12 weeks at 100% of salary for birth, adoption or foster for either parent

• Updates practical to organizational changes
  • Reporting structures
  • Changes to retirement and fringe benefits

• RESOLUTION 05062020-1: APPROVING AND RATIFYING CHANGES TO THE PEA EMPLOYEE HANDBOOK
2019 Annual Report Update

• Planning for release June 2020
• Drafting final sections now
• Will plan for a press release when complete without an in-person event
Q3 FY20 Programs Update

1. MUNICIPAL BUILDINGS
   - Solar PPA heading for construction
   - Streetlighting procurement ongoing
   - Art Museum construction closing out
   - Budget uncertainty

2. K-12 SCHOOLS
   - Construction beginning on GESA-1
   - Scoping ongoing for the next 4 schools
   - Bright Solar Futures completing OppY1 cohort, seeking internship opps, developing workforce program with Adams Solar

3. AFFORDABLE / LMI RESIDENTIAL
   - Solar Savings Grant Program launched
   - Solarize Philly Ph 4 launched
   - 78,000 households enrolled in Water & Sewer Line Program
   - Built To Last in development

4. SMALL BUSINESS
   - Curtis Institute project moving forward
   - C-PACE pipeline up to $25MM
   - Ongoing technical assistance for efficiency and solar

NEW PROGRAMS & TOOLS
   - City Solar Rebate Program up and running (on behalf of OOS)
   - Preparing to launch Philadelphia Green Bank in 2021
   - Seeking federal stimulus and RGGI funding
Adams Solar

- 80 MW Solar PV project in Adams County, PA (to be built), ~700 acres
- Planning for construction to begin this summer still
- Workforce development planning occurring now between PEA, Community Energy and Engie
- Job fair via remote technology being planned for May/June
- EOP Oversight Committee finalized and chaired by PEA’s Mitchell Swann! First meeting was in March.
- No update on project naming yet
A citywide program to help all Philadelphians

Solarize
PHILLY

Go solar at home

Sign up by September 30 at solarizephilly.org
## 3 Rounds, Largest in the U.S.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Contracts Signed as of Today</th>
<th>Contracted Solar Capacity</th>
<th>$ Invested in Philly’s Clean Energy Economy</th>
<th>Households Signed up</th>
<th>Direct Jobs Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>654</td>
<td>2.8 MW</td>
<td>$10 million</td>
<td>5,856</td>
<td>94</td>
</tr>
<tr>
<td>Ph3</td>
<td>291</td>
<td>1.2 MW</td>
<td>$4.3 million</td>
<td>2,076</td>
<td>42</td>
</tr>
</tbody>
</table>
Re-opened for Phase 4

• Opened for sign-ups on April 22nd (Earth Day).
• **204 sign-ups** (including wait list since close of Ph 3)
• Referrals and sales visits to occur remotely.
• Sign up at [solarizephilly.org](http://solarizephilly.org)
• Now with Solar Savings Grant Program for low- and moderate-income households.
Solar Savings Grant Program

- Supporting pilot cohort of low- and moderate-income households to go solar at no upfront cost.
- Participants will start saving in Year 1.
- Grant provided for ~50% of cost.
- Low-cost financing for remainder of cost.
- Eligibility requirements:
  - 12 months of on-time PECO bill payments
  - Household income < 80% AMI (see table at right)
- Sign up at solarizephilly.org

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Upper Limit for 80% AMI</th>
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<tbody>
<tr>
<td>1</td>
<td>$50,500</td>
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<tr>
<td>2</td>
<td>$57,700</td>
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<tr>
<td>3</td>
<td>$64,900</td>
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<tr>
<td>4</td>
<td>$72,100</td>
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<tr>
<td>5</td>
<td>$77,900</td>
</tr>
<tr>
<td>6</td>
<td>$83,650</td>
</tr>
<tr>
<td>7</td>
<td>$89,450</td>
</tr>
<tr>
<td>8</td>
<td>$95,200</td>
</tr>
</tbody>
</table>
• One-time incentive payment for solar projects
  • $0.20/watt for residential projects
  • $0.10/watt for commercial projects
• 10% of funds set aside for low- and moderate-income households.
• Designed to help offset step-down of federal Investment Tax Credit.
• PEA administering on behalf of Philadelphia Office of Sustainability.
• phila.gov/solar-rebate
Bright Solar Futures: Training Update

PowerCorpsPHL Solar Fellowship
- 18-30 year old Opportunity Youth
- Jan – May 2020 classroom training (680 hrs) and summer internship
- Switched to virtual learning in March

Off-site CTE Training
- Current CTE students
- Oct 2019 – May 2020
- Suspended as of March in line with SDP closures
- Planning to reconvene in summer through WorkReady

First CTE Solar Program in Pennsylvania
- Received approved by PA Dept of Education to launch in Fall 2020
- Fundraising for Solar Lab at Frankford High School
Bright Solar Futures: Get Engaged

Host a Bright Solar Futures Intern
- Funding available for wages
- 10 week, 40 hr/wk summer internship
- Highly trained PowerCorpsPHL candidates
- Fill out this request form by May 15th

Share Solar Teacher Job Posting
- Applications being accepted by School District of Philadelphia on rolling basis, job posted here
- Lead PA’s first Solar Energy CTE Program
- 2+ years of relevant experience required, may be eligible for emergency teacher certificate

Contribute to new solar lab
- Donate to retrofit of new solar lab at Frankford High School or consider becoming a sponsor
- Make an in-kind contribution of equipment
- Contact Irigell@philaenergy.org to learn more
Water and Sewer Line Protection Program

- 78,000 customers
- $9.5M+ in repair cost savings
- 73% of claims to date serviced by M/W/DBE contractors
- 11% of claims had a PWD NOD
- Projected to save PWD $140k annually
The city sponsored insurance (American Water Resources) is the best deal in insurance, like, ever. It's really, effectively, a city program to make it possible for folks without tons of ready cash to stay in older homes that have water-sewer lines reaching the end of their lifespan). Do it and don't look back. You're looking at probably close to 10grand, minimum, if there's a failure.
Built to Last Platform

Benefits Screening
- ID benefits.
- Screen for owners who can receive home improvement services.

Property Audit
- ID all home needs at once.
- Eliminate referrals to multiple programs.

Construction Management
- Align service delivery.
- Shorten project timeline.
- Address all major needs.
Built to Last: Restoring Safe, Healthy, Affordable Homes

- Built a coalition of over 20 programs, agencies and organizations
- Ongoing program design, contracting with Capital Access for consulting support
- Held first program design charrette with help from Independence Blue Cross Innovations Center
- Locking down software partner and development plan
- Began fundraising both pre- and post-COVID (and redesigning expectations from City budgets)
Curtis Institute

- Partnered with PennSEF and FREE to provide owners’ rep services to Curtis Institute for energy efficiency and other construction
- PennSEF which drafted RFP and facilitated ESCO selection, PEA provided technical assistance
- The Efficiency Network (TEN) selected as ESCO partner
- Scope includes LED lighting, centralized HVAC control system, and weatherization
C-PACE Program Overview

Program Administration:

• PEA has maintained C-PACE program operations without any gaps in service during stay-at-home COVID-19 orders
• Established e-recording account and signature process with City to ensure deals can close remotely
• Hosted or participated in nine webinars since March 1st reaching ~200 people; four webinars planned in May so far

Current C-PACE Market Trends:

• Uptick in retroactive financing inquiries as businesses look to refinance more expensive debt or free up cash
• Construction pause may delay some project timelines, but limited impact to Philadelphia C-PACE pipeline to date
• Capital providers and developers are identifying C-PACE-eligible measures to improve resiliency for hospitals and other care facilities
C-PACE Deal Outlook

42 Projects in Pipeline
Most projects still in early stage

Pipeline by Stage (Project Count)

- Pipeline: 37
- Pre-Application: 5
- Final Application: 0

$26MM Probability-Weighted Value\(^1\)
Strong near-term deal flow expectations

Deal Volume by Fiscal Year ($MM)

- FY20: $10.2
- FY21: $14.8
- FY22: $0.3
- Varies

\(^1\) Financing Amount for is probability-weighted based on project expectations as of 4/30/20. Pipeline reflections projects from 2020-2022 based on conversations with developers, property owners and other stakeholders. All numbers are subject to change.
C-PACE Deal Outlook

Most Popular Approach: Energy Efficiency
Trailed by Water Conservation & Solar

<table>
<thead>
<tr>
<th>Approach</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Efficiency</td>
<td>88%</td>
</tr>
<tr>
<td>Water Conservation</td>
<td>57%</td>
</tr>
<tr>
<td>Solar</td>
<td>24%</td>
</tr>
</tbody>
</table>

Variety of Property Types in Pipeline
Mixed-Use Buildings Most Common

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Project Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mixed Use (All Commercial)</td>
<td>9</td>
</tr>
<tr>
<td>Mixed Use (Commercial / Residential)</td>
<td>6</td>
</tr>
<tr>
<td>Unknown</td>
<td>5</td>
</tr>
<tr>
<td>Non-profit</td>
<td>4</td>
</tr>
<tr>
<td>Hotel</td>
<td>3</td>
</tr>
<tr>
<td>Entertainment</td>
<td>3</td>
</tr>
<tr>
<td>Office</td>
<td>2</td>
</tr>
<tr>
<td>Healthcare</td>
<td>2</td>
</tr>
<tr>
<td>Religious</td>
<td>1</td>
</tr>
<tr>
<td>Restaurant</td>
<td>1</td>
</tr>
<tr>
<td>Retail</td>
<td>1</td>
</tr>
<tr>
<td>School</td>
<td>1</td>
</tr>
<tr>
<td>Senior Care</td>
<td>1</td>
</tr>
</tbody>
</table>
C-PACE Marketing Update

Market Education & Outreach

• Reached ~1,000 individuals since program launched in October 2019

In lieu of in-person events, PEA has been focusing on webinars and individual company outreach

Recent webinars provided deep dives on application process, retrofits, solar and green roofs (upcoming)

<table>
<thead>
<tr>
<th>Outreach Data¹ (October 2019 – April 2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Events Hosted/Attended</td>
</tr>
<tr>
<td>Organizations Addressed</td>
</tr>
<tr>
<td>Individuals Addressed</td>
</tr>
</tbody>
</table>

Messaging C-PACE in the COVID-19 Economy

• Businesses can use C-PACE to improve cash flow by pay for cost-saving energy efficiency projects with zero dollars out of pocket

• Retroactive financing can provide capital infusions to cash-strapped businesses

• C-PACE is an economic development and job creation tool that can be part of Philadelphia’s economic recovery

• The link between COVID-19 and pollution is clear; C-PACE is one tool to help reduce emissions and create a more resilient city

¹ Event count includes events hosted by PEA or events at which PEA had a speaking role and discussed the C-PACE program. Organizations and individuals addressed are based on estimates when exact event data is unavailable.
Contact

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215-686-4483

[Links]
philaeenergy.org
solarizephilly.org
philadelphiaCPACE.org
awrusa.com/Philadelphia