

Philadelphia Energy Authority
Minutes of the Quarterly Meeting of the Board of Directors
May 6, 2020

The quarterly meeting (“the Meeting”) of the Board of Directors (the “Board”) of the Philadelphia Energy Authority (“the Authority”) was held on May 6, 2020 beginning at 4:30pm via Zoom and teleconference consistent with the PA Sunshine Act and per the guidance of the Pennsylvania Office of Open Records.

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

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

Also present at the Meeting were: Ken Hughes (Constellation), Mike Heaney (Resident), Duncan Wright, Jonathan Leibovic, Mehdi Entezari (Sierra Club), Jim Creedon (TEN), Lynn Robinson (Neighbor Against Gas and Climate Philly Alliance), Meenal Raval (Citizen), Mitch Chanin (350 Philadelphia), Mike Bayesa (Energy Systems Group), Maxine Dixon (PEA), Laura Rigell (PEA), Alon Abramson (PEA), Maryrose Myrtetus (PEA), Joe Wilson (PEA), Mahvish Ilyas (PEA), Lisa Shulock (PEA), Nancy Mifflin (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 February 12, 2020 (“Prior Meeting”). Minutes were provided to the members in advance of the meeting. Upon motion duly made by Ms. Adams and seconded by Mr. Agalloco, the Board unanimously approved the minutes.

Public Comment

Mr. Lewis asked for comments from the public. Ms. Robinson asked for more information on the Built to Last Program, which was provided by Mr. Abramson later in the meeting.

Chair’s Report

Mr. Lewis gave his thanks to the members of the public for joining our first virtual meeting and to the PEA staff for continuing operations to remote work in the midst of COVID-19.

Executive Director’s Report

Organizational Updates

Ms. Schapira stated that due to COVID-19 adaptations, PEA has moved to remote work. All programs are fully operational. Ms. Schapira presented updates to the Employee Handbook, which included the addition of a Family Leave Policy and language updates to reporting structure, retirement and fringe benefits.

RESOLUTION 05062020-1: APPROVING AND RATIFYING CHANGES TO THE PEA EMPLOYEE HANDBOOK

RESOLVED, that the Board of Directors (the "Board") of the Philadelphia Energy Authority (the "PEA") ratifies, approves and adopts the revised PEA Employee Handbook in the form and substance attached hereto, including the Family Leave Policy set forth therein.

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

Ms. Schapira went on to state that typically at this meeting we would approve the FY21 budget. There are uncertainties with the request due to current budget changes for the City, so it was not presented at this meeting. PEA's financial position is solid, and Ms. Schapira explained that PEA would be able to weather some budget cuts as the City navigates through COVID-19.

Program Updates

I. City Projects

The solar array in Adams County will begin construction this Summer (2020). Workforce development efforts are going on now with plans for a remote job fair in the coming months. More information to come in early June. The EOP Oversight Committee for the Adams Solar project has been finalized, with Mr. Swann as the Chair. The first remote meeting was held in March. The array has not yet been named. Ms. Knapp of the Office of Sustainability stated their office is still reviewing submissions from the naming contest.

II. School District

Construction for the next phase of the project ("GESA-1") has begun (which includes three schools). Prior to the start of COVID-19, the District started scope development for the next four schools to receive energy upgrades. There is no additional information at this time on the project timeline.

Ms. Robinson asked if the 20 schools on the District's priority list will be changing out heating systems from oil to natural gas. Ms. Schapira confirmed that in the past, the District has switched single-fueled systems (oil and gas) to dual-fueled systems to be eligible for a lower gas rate from PGW. That is not a part of the scope for the current GESA-1 schools. Ms. Robinson urged the importance of reducing existing and future fossil fuel infrastructure.

III. Solarize & LMI Solar Pilot

Solarize Philly Phase 4 opened for signups on Earth Day, April 22nd. Since 2017, Solarize has supported 654 solar contracts, 2.8 MW of installed solar and \$10 million in private investment, making it the largest program of its kind in the nation. PEA interns have begun providing customer service to 204 new sign-ups for this phase. Due to COVID-related construction restrictions, the installers are just beginning to reactivate and prepare for new leads.

On Earth Day, PEA also announced the opening of the Solar Savings Grant Program, previously referred to as our Low- and Moderate-Income Special Financing Pilot. The program will subsidize about half the cost of going solar for households under 80% of Area Median Income who have paid their PECO bill on time and in full for 12 months. Eligible households will have access to a low-cost 15-year loan for the balance of the cost in partnership with the Centennial Parkside CDC and the National Energy Improvement Fund.

The City Solar Rebate is now taking applications for residential and commercial installed solar arrays. Anyone whose solar was installed after July 1, 2019 can apply. 10% of the funds are set aside for low and moderate-income households.

Mr. Heaney asked how many LMI homes will be able to participate with the funds that are set aside.

Ms. Schapira responded that 10% of the funds are set aside, but that does not mean more can't go to eligible households from the non-set-aside portion if more LMI households applied. The average rebate is about \$1,000 so approximately 25 households could use the set-aside funds in Fiscal Year 2020.

IV. Bright Solar Futures

Ms. Rigell provided an update on our solar training program, which had two cohorts at the start of the COVID-19 pandemic. The first was a high school cohort from CTE schools across the city, who met one day per week at the Energy Coordinating Agency's training center. Since the School District is closed, training for this cohort has also stopped, and will be completed this summer as part of the Philadelphia Youth Network's WorkReady Program.

The second group is 15 PowerCorpsPHL fellows, who have been receiving daily in-person training also at ECA. Their curriculum has been moved online. Ms. Rigell and her team are working with PowerCorps and ECA to make sure every student has internet access and a computer or tablet they can use to complete the training. We are still moving forward with summer internships. These students are receiving 680+ hours of training and will be among the best-trained solar installers in the region when the program is completed.

The next cohort will be the CTE students at Frankford High School starting this Fall. We are beginning to build the lab now and the School District has started interviews for the teacher, which is funded by state

Perkins funds. Students will begin in 10th grade and receive daily instruction for 3 years, including 3 summer internships.

V. Water/Sewer Service Line Protection Program

Mr. Abramson provided an update on this program, which now has over 79,000 customers enrolled. That is approximately 21% of all single-family homes in Philadelphia. The program has saved consumers \$9.5 million in repair costs and work to contractors in the City through this program. 73% of claims have been serviced by M/W/DBE contractors, all of whom are local.

VI. Other Housing

Mr. Abramson provided a brief overview of PEA's new Built to Last platform, which will provide single-family low-income homeowners with layered, coordinated service delivery to restore safe, affordable, healthy homes. The three pillars of the program include: benefits screening, a universal audit of the property, and construction management.

So far, PEA has put together a coalition of 20+ agencies, which are working together on program design and logistics and aligning services and funding. PEA is aiming for two pilots in 2021, but that schedule may be pushed back somewhat due to COVID.

As part of PEA's mission to support the commercial, non-profit and small business sectors, we recently provided technical assistance to the Curtis Institute to support the development of an energy performance project at their 5-building campus in Center City. The project will be under \$1MM dollars for the energy efficiency work and there will be a separate budget for construction.

Mr. Lewis asked if PEA is planning to continue providing similar services to other nonprofits in the city. Ms. Schapira said we are committed to it, but the scale will depend on PEA capacity and partnerships. The Curtis model with PennSEF and FREE is a replicable model.

VII. C-PACE

Ms. Myrtetus provided an update on the C-PACE program. It is still fully operational during the Stay-At-Home order. E-recording and remote notary for signatures have been set up for important documents. PEA has switched marketing to online, hosting webinars and other events through at least June 2020.

As of April 2020, C-PACE Philadelphia has 42 projects in the pipeline with \$26MM probability-weighted value. We expect more than one of those projects to move forward by the end of the fiscal year on June 30th. We are pleased to see C-PACE being used for energy efficiency, water conservation and solar (in that order of popularity).

Mr. Agalloco asked if our expectations for what C-PACE could do for the market match what we are actually seeing. Ms. Schapira confirmed that the project pipeline exceeds expectations, but we will learn more once deals start to close.

Treasurer's Report

Mr. Kopistansky confirmed that he and Ms. Schapira had reviewed the most recent financial statements and that he is confident that PEA is in a strong position financially. Ms. Schapira explained the recent reformatting of the financial statements, which are designed to better show funding sources and more detail on program costs. Ms. Schapira provided a walkthrough of each statement and where we are still making adjustments to the new format.

Mr. Lewis likes the new format and the clarity it provides. He is interested in seeing a similar program overview in the form of a performance report on metrics we have established as important. Ms. Schapira affirmed our intention to be able to provide that in the future.

New Business

No new business was introduced.

Adjournment

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

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

Respectfully Submitted,



Secretary of the Board of Directors