

**Philadelphia Energy Authority
Minutes of the Quarterly Meeting of the Board of Directors
February 10, 2021**

The quarterly meeting (“the Meeting”) of the Board of Directors (the “Board”) of the Philadelphia Energy Authority (“the Authority”) was held on February 10, 2021 beginning at 4:30pm via Zoom video conference 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
Christopher Lewis
Barbara Moore
Emily Schapira
Mitchell Swann

Also present at the Meeting were: Alon Abramson (PEA), Michael Bayesa (Energy Systems Group), Greg Dank (PA811), Maxine Dixon (PEA), Mahvish Ilyas (PEA), Morgan King (PEA), Christine Knapp (OOS), Nancy Mifflin (PEA), Maryrose Myrtetus (PEA), Laura Rigell (PEA), Lisa Shulock (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 December 2, 2020 (“Prior Meeting”). Minutes were provided to the members in advance of the meeting. Upon motion duly made by Ms. Adams and seconded by Ms. Schapira, the Board approved the minutes with one abstention from Mr. Swann.

Public Comment

Mr. Lewis asked for comments from the public. The public attendees made introductions.

Chair’s Report

Mr. Lewis stated there are two resolutions he would like to address as part of the Chair’s Report. The first, the election of officers for calendar year 2021.

RESOLUTION 02102021-01: ELECTION OF OFFICERS 2021

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 2021: Christopher A.

Lewis as Chair, E. Mitchell Swann as Vice Chair, Michael Kopistansky as Treasurer, and Barbara Adams as Secretary.

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

The second resolution contains an update to financial policies, which raises the financial authorization level for the President & CEO. PEA's budget has grown substantially, the financial policy structure would make the limit a percentage of the annual budget, meaning the limit will change from year to year. After some discussion the board moved forward with a 10% limit and amendment to the resolution to require a maximum threshold.

RESOLUTION 02102021-02: AMENDMENT TO FINANCIAL POLICIES

RESOLVED, that the contract approval policy approved by the PEA on February 5, 2019 is hereby amended to increase the President and CEO's maximum contracting amount from \$50,000 as follows: the President and CEO is authorized to enter into, execute, and perform contracts on behalf of the PEA, so long as the contract is contemplated by the approved budget of the PEA and does not exceed the lesser of 10% of PEA's annual budget or \$250,000. Contracts exceeding such amount must be approved in writing by two (2) officers of the PEA.

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

Executive Director's Report

Organizational Updates

The job description for the new Vice President of Strategy and Operations position has now been posted. PEA will be circulating and sharing among broader audiences in the coming weeks. PEA is also moving towards a new organization structure. It will realign to focus on residential & commercial instead of clean energy and energy efficiency.

Laura Rigell will be moving to the Director of Development, Policy and Workforce Initiatives. Maryrose Myrtetus will become the Executive Director of the Philadelphia Green Capital Corp. and we will replace her role with a new position, Director of Commercial Programs. In the meantime, consultant Lisa Shulock will ensure continuity of the C-PACE Program.

Program Updates

i. City Projects

The Adams Solar project delay has been resolved and there is an amendment to the contract expecting delivery of power in May of 2022, about a year delay. The LED Streetlighting RFP will be released this quarter.

ii. School District

The District has released a new RFP for the GESA-2 project which includes 3 additional schools, with the option to award up to 20 schools to the selected vendor. GESA-1, contracted to Johnson Controls, has 6 phases deployed over 5-6 years. Scoping for Phase 3 is currently in the works.

iii. Solarize & Bright Solar Futures

Ms. Ilyas gave an update on Solarize Philly Phase 4 and the Solar Savings Grant Program (SSGP). In the fourth phase, Solarize Philly had 557 sign ups and 66% were transferred to installers. 53 signed contracts, which lines up with what the rest of the solar market has seen during COVID-19. Since the launch of the program, 6419 homeowners have expressed interest and approximately \$12M has been invested. 37 additional contracts have been signed as part of SSGP and there is currently a waitlist for additional homes who would like to go solar. The first installation for this program has been completed and there is a media plan to announce the pilot. The RFP for Solarize Philly Phase 5 will go out this quarter.

Mr. Wilson gave an update on the Bright Solar Futures Program. The SDP class has been held virtually for the first solar CTE program in PA due to COVID. 15 students are currently in the class and we are recruiting for the next group of 10th graders. The OppY2 pathway for young adults not engaged in school or unemployed placed 11 of 12 trainees into full-time employment. Their class was a hybrid model -- 3 days were virtual, the remaining 2 days were on-site at the Energy Coordinating Agency (ECA).

Ms. Rigell shared an update on the Frankford HS Solar Lab. Lisa Schulock is leading the solar lab development. The project is moving forward with minor electrical work, painting, and ceiling replacement. Summer work will be contracted with an RFP going out this quarter. Lead sponsors for the lab are PECO, the National Electrical Contractors Association (NECA) & Community Energy.

PEA is administering a new training program for green residential retrofits. Mr. Abramson secured a \$250K grant from the Department of Commerce for Innovative Workforce Solutions. 17 adults will receive 11 weeks of training at the ECA training center, and will then spend 6 weeks in the field shadowing contractors through a partnership with Friends Rehabilitation Program, working on affordable housing.

iv. Built to Last & Multi-Family

Last year was spent developing the Built to Last low-income home restoration program, working with partners to develop a model. This year will be the transition into implementation. PEA is

working with Capital Access to develop the Roadmap document, which will support a 50-home pilot, which will begin next quarter.

v. Water/Sewer Service Line Protection Program

Mr. Abramson provided this update. 90,000 customers are enrolled in the program, and the cost savings continues to rise. Since the launch over \$16.3M has been avoided in repair costs to customers. 73% of claims to date have been serviced by local M/W/DBE contractors and only 7% of claims had a PWD notice of defect. AWR is partnering with The Enterprise Center for training to build the back office skills of the contractors so they can continue to effectively grow their businesses.

vi. C-PACE

In December, PEA released a C-PACE Year In Review newsletter. Since the last board meeting, The Met closed on a retroactive C-PACE project for \$6 million of energy efficient retrofits. This financing helped replace more expensive debt and reduced their cash outlay during COVID. 58 projects are currently in the pipeline. PEA is working with KEEA and others to expand the PA C-PACE law (Act 30) to include multifamily buildings.

vii. Philadelphia Green Capital Corp

The Philadelphia Green Capital Corp (PGCC) has filed its articles of incorporation and is preparing for its IRS filing. Initial Directors for the entity have been identified, including Emily Schapira, Matthew Stitt and Michael Kopistansky. PGCC plans to hire 1-2 staff members this year and continue to work on fundraising for the organization.

Treasurer's Report

Mr. Kopistansky had an emergency situation, therefore Ms. Schapira will provide the board with a report on the financials. PEA has \$2.5MM in their cash account. This consists of the Board Designated Reserve Fund, FY21 City allocation, and program fees that have not yet been encumbered. PEA has diverse sources of revenue. 34% of the FY21 budget has been spent to date.

RESOLUTION 02102021 - 03: 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, and

WHEREAS, PEA must ensure organizational sustainability for the future by maintaining financial reserves in the amount of six months of core operational expenses that act to preserve PEA's work in the event of unforeseeable issues, therefore be it

RESOLVED, that the Board of Directors ("the Board") authorizes the FY21 Program Fees from the Water and Sewer Service Line Protection Program, in the amount of \$1,494,324.38 shall be restricted in the following ways that help build the scale and impact of PEA's work:

1. \$850,000 shall be used to supplement the FY21 operating budget and may be rolled over into future fiscal years if unspent.
2. \$58,405 shall be transferred to the Board Designated Reserve Fund. 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, insurance and legal fees. All interest earned on this account shall accrue to the BDRF and the same restrictions shall apply.
3. \$85,919.38 shall be encumbered in a separate account dedicated solely to 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.
4. \$500,000 shall be encumbered in a separate account referred to as the "Green Bank Fund" dedicated solely to startup costs related to the Philadelphia Green Capital Corp., 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, Adams 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.

Respectfully Submitted,



Secretary of the Board of Directors