

**Philadelphia Energy Authority**  
**Minutes of the Quarterly Meeting of the Board of Directors**  
**October 19, 2022**

The quarterly meeting (“the Meeting”) of the Board of Directors (the “Board”) of the Philadelphia Energy Authority (“the Authority”) was held on October 19, 2022 beginning at 4:30pm via Zoom video conference.

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

Barbara Adams  
Natalia Dominguez Buckley  
Sophia Lee  
Barbara Moore  
Matthew Stitt  
E. Mitchell Swann

Also present at the Meeting were: Anza Abbas (PGCC), Alon Abramson (PEA), Erin Baker (Member of Public), Shonique Banks (PEA), Katie Bartolotta (PEA), Baird Brown (Eco(n)law), Kristen Carmean (PEA), Maxine Dixon (PEA), Rishika Ghosh (PGCC), Stefanie Green (PEA), Tabeen Hossain (PEA), Emily Schapira (PEA), Lisa Shulock (PEA), Matt Stern (PEA)

**Call to Order**

Mr. Swann (Chair) called the Meeting to order. Mr. Swann determined that a quorum was present and confirmed that the Meeting was properly advertised.

**Approval of the Minutes**

Mr. Swann asked that the Authority approve the minutes from the prior quarterly Meeting held on July 20, 2022 (“Prior Meeting”). Meeting minutes were provided to the Board in advance of the Meeting. Upon motion duly made by Ms. Dominguez Buckley and seconded by Ms. Adams, the Board approved the July 20, 2022 meeting minutes.

**Public Comment**

There was one member of the public present at the Meeting, Ms. Baker, who had no specific comment.

**Chair’s Report**

Mr. Swann’s report highlighted the Adams solar project, which kicked off its return last week. He went on to state the Authority has a lot going on and will be at the forefront for the City and the region.

**President & CEO’s Report**

Ms. Schapira began her report by giving a high-level overview of program updates. PEA has released an RFI for a Virtual Power Plant, planning for the Good Jobs Challenge has begun and the Whole Home Repair guidelines and application is expected to be released by the Commonwealth before the end of the calendar year.

Ms. Moore asked whether interest rate changes have affected Solarize Philly. Ms. Schapira responded that interest rates have not been a major driver of solar adoption, though it could be moving forward.

## **Organizational Update**

PEA is wrapping up the search for an Administrative Coordinator.

Two PEA staff members, Maxine Dixon and Shonique Banks, are in the process of taking a Harvard Business School course called Leadership Principles, focused on strategic planning, development and management. The course is the first of some additional investments into professional development for our staff.

PEA is working on calculating a NICRA for the organization, to be used as a federally negotiated indirect rate for federal grants. As of now the organization uses a 10% de minimis rate. PEA is working with Your Part-Time Controller to determine the appropriate methodology and provide calculations to the federal government.

Ms. Schapira asked the Board to adopt an Organ Donation Leave Policy for the organization.

### ***RESOLUTION 10192022-02: APPROVAL OF BONE MARROW, STEM CELL OR ORGAN DONATION LEAVE POLICY***

***RESOLVED***, that the Board of Directors of the Philadelphia Energy Authority (the "PEA") approves the Bone Marrow, Stem Cell or Organ Donation Leave Policy as attached hereto.

#### ***"Bone Marrow, Stem Cell or Organ Donation Leave Policy***

*Any exempt employee may request a Bone Marrow/Stem Cell/Organ Donation leave when the employee intends to donate bone marrow, stem cells or a major organ to another person. The employee must be the donor and must need time off to recover following the donation of bone marrow, stem cells or a major organ (lung, liver or kidney) to another person.*

*An exempt employee may request the following time off, depending on the type of donation:*

- *Bone Marrow – maximum of five (5) calendar days*
- *Stem Cell – time off equal to number of collections*
- *Kidney – maximum of thirty (30) calendar days*
- *Liver – maximum of forty-five (45) calendar days*

*In order to encourage donation and to ensure that the employee is not penalized and does not suffer any financial hardship to provide this "Gift of Life", the employee will be paid in full during this period. No vacation or personal time will be counted."*

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

Ms. Schapira shared new 2023 funding commitments, including \$100,000 from PECO and \$50,000 from Sol Systems, both for Bright Solar Futures, and a 3-year commitment of \$100,000 per year from the Barra Foundation via the Green and Healthy Homes Initiative for Built to Last.

## **Policy Update**

PEA is collaborating with the Office of Sustainability to lead the City's efforts to draw down funding from the Inflation Reduction Act (IRA). PEA is estimating about \$5 billion of funding in various forms should come to Philadelphia from IRA and the Bipartisan Infrastructure Law.

Highlights of the IRA:

- \$20B in rebates and tax incentives for homes, businesses, and vehicles
- \$27B for Green banks via the Greenhouse Gas Reduction Fund
- \$200M in Workforce development
- Direct pay tax credits for municipals and nonprofits (efficiency, renewable energy, EVs)
- Restoration of the investment tax credit and production tax credit at 30% plus substantial adders

There is a tool created by Rewiring America that calculates how much your household could get from the IRA, found here: <https://www.rewiringamerica.org/app/ira-calculator>

## **Program Updates**

### **i. City Projects**

Significant progress has been made on the Philadelphia Streetlighting Improvement Project (PSIP). PEA holds the long-term energy performance contract for this project and will be the issuer of the bond on behalf of the City. An Investment-Grade Audit is currently taking place. At the start of the quarter, 57,000 of the 140,000 poles have been audited.

The cataloging is being conducted by 25 local residents hired by Evari GIS, the data partner hired by Ameresco (the prime vendor on the project). Demographics of the auditors include:

- 85% male
- 65% have previous GIS experience
- 50% non-white
- 50% have college degrees

Stakeholder engagement for the project is underway. Ameresco hired Community Marketing Concepts and others to lead this effort through neighborhood-based demonstrations, community meetings, canvassing and more to receive direct feedback from residents.

The first meeting of the City government Steering Committee was held this quarter. The committee is co-chaired by Mike Carroll, Deputy Managing Director, and Emily Schapira. [Phillystreetlightimprovement.com](http://Phillystreetlightimprovement.com) is the public website for the project. There will be a two week look ahead during construction posted on the website.

The 1.5MW solar project continues to move forward with contracting with Solaer USA and navigating the interconnection process with PECO.

The Adams Solar project is on track for construction to start by the end of 2022 and Energix is currently seeking proposals for civil construction work. The EOP Oversight Committee, chaired by Mitchell Swann, will reconvene this month.

**ii. School District Programs**

Ms. Schapira and Ms. Bartolotta met with the new Superintendent, Dr. Watlington, and SDP COO Reggie McNeil to discuss ways their GESA projects have allowed the District to improve school facilities quickly, affordably and strategically. The District has completed or contracted for nearly \$250 million of GESA projects across 24 schools to date.

GESA-3 is under way with Noresco selected as the contractor. PEA continues to provide the District with technical assistance and support. Through \$124 million of ARPA funding, 8 to 10 additional schools will be completed by September 2024.

**iii. Built to Last**

PEA is working with partners to complete the 50-home pilot of the Built to Last program. Construction on the next 50 homes will start in late 2022 or early 2023, pending funding. Statistics about the pilot homes include:

- 25% avoided Weatherization deferrals
- 30% completed partial or full electrification
- Solar is viable at all homes assessed to date, anticipating 25-50% will receive (pending funding)
- Average energy burden is 19%

Funding has been obtained for upcoming phases via congressionally-directed appropriation and a Weatherization Enhancement and Innovation award from the Department of Energy to help support our first 400 homes.

To date about \$1.5MM has been invested in the program. PEA has spent about \$619k so far, which includes 3-4 programs per home, averaging a total investment of roughly \$44K per home of which \$11k per home represents PEA's gap spending.

Two RFPs for Built to Last have been released through PEA and one through PGCC for the administrative and construction components of the program.

**iv. Solarize Philly**

Solarize Philly has surpassed 1200 solar contracts. Phase 5 & 6 will extend out into the end of the calendar year with plans to renew the contracts with current installers for one further phase. Phase 7 begins in January 2023.

In Phase 5 & 6 there have been 405 contracts to date, 2.28 MW of solar, and \$8MM invested. For all of Solarize Philly to date over 1200 contracts, 6MW of solar, and \$23MM invested.

Solar Week 2022 was held August 15th - 21st. PEA hosted 8 solar themed events over the course of the week to highlight solar in Philadelphia. Details here:

<https://philaenergy.org/event/philadelphia-solar-week-2022%E2%98%80%EF%B8%8F/>

**iv. Water and Sewer Service Line Protection Program**

Over 90,000 households enrolled in the Water and Sewer Service Line Protection Program through American Water Resources and 20,000 are enrolled in the additional in-home programs. The program has saved customers over \$42MM in repair costs. 73% of claims have been serviced by M/W/DBE contractors and only 15% of repair claims had a Notice of Defect from the Philadelphia Water Department, which continues to demonstrate the value of the program through infrastructure renewal.

The AWR contract is eligible for one more 3-year renewal if PEA chooses to continue with them rather than re-procure the program. PEA will begin working on that analysis and possible negotiation in November.

**v. Workforce Development**

After a no-cost extension, the grant period of the Bright Solar Futures award from the DOE ended on 9/30/22. PEA is now working on final reporting and closeout.

PEA held a webinar in September for the national rollout of the Bright Solar Futures (BSF) curriculum. The PEA website now has a landing page where people can download tools and eventually access the entire curriculum.

The 6-week BSF summer enrichment program ended in July with the goal of recruiting new 10th graders into the Frankford program and expanding exposure to clean energy jobs. The program started with 20 enrolled students and 4 interns. 14 of the 15 participants who completed the program enrolled in the Frankford High School fall solar class.

The OppY track (with PowerCorpsPHL) for the BSF program has begun recruiting for its 4th cohort, which will begin January 2023. The 2nd cohort of the GRIT program has ended, and PEA and industry partners are working to get GRIT participants placed in jobs.

**vi. C-PACE**

Approval for C-PACE expansion was passed by the PA legislature, which expands the program to include multi-family properties over 5 units and additional measures including resilience and indoor air quality. Philadelphia is the first county in PA to release program guidelines, after significant public input and a formal public comment period. 15 projects in the pipeline are multifamily or mixed use. Interest rate hikes at the federal level are making C-PACE more attractive as the cost of other debt is increasing.

Current pipeline includes 50 projects, up 30% from the last quarter. The probability weighted average value of the pipeline is \$81M.

PEA is releasing an RFI to help design the Virtual Power Plant (VPP) program. This program would aggregate thousands of distributed energy resources which could act in concert to provide large-scale energy efficiency that could act as a virtual power plant. More information to follow in the next quarter.

**vii. Philadelphia Green Capital Corp.**

The Philadelphia Green Capital Corp. (PGCC) hired Anza Abbas as their Operations Coordinator in September. PGCC sees incredible potential to receive funding from the IRA and will report more next board meeting.

Ms. Schapira asked that the board consider a resolution authorizing the signing of an addendum to the joint operating agreement between PEA and PGCC for the next two rounds of the Built to Last Program.

**RESOLUTION 10192022 – 01: AUTHORIZING AN ADDENDUM TO THE JOINT OPERATING AGREEMENT WITH THE PHILADELPHIA GREEN CAPITAL CORP RELATED TO THE BUILT TO LAST PROGRAM**

*RESOLVED, that the President and Chief Executive Officer of the Philadelphia Energy Authority is hereby authorized and directed to approve an addendum to the existing Joint Operating Agreement with the Philadelphia Green Capital Corp, in substantially the form attached hereto, with such changes as the President and Chief Executive Officer shall deem appropriate in consultation with counsel for services related to the execution and development of the Built to Last program, and to take all administrative steps necessary and convenient to enter into and perform the terms of this addendum.*

Upon motion duly made by Ms. Adams and seconded by Ms. Dominguez Buckley, the Board approved the resolution unanimously.

**Treasurer's Report**

The cash balance for the organization continues to be strong. PEA has not received their FY23 allocation from the City but are expecting to receive it soon.

PEA is now tracking donor-restricted funds, board-restricted funds, and unrestricted funds. To date, PEA has spent about 27% of their FY23 budget. The financial statements indicate 42%, which includes funds being transferred to PGCC that were previously allocated.

The Furniture and Equipment line item is high due to PEA's new policy to cycle out laptops after 3 years. The Board Designated Reserve Fund represents 6 months of mission critical operating expenses. PEA budgeted to receive about \$4.7MM in revenue. Some of that will go directly to PGCC for Built to Last construction expenses, which will be reflected differently in next year's budget.

**New Business**

Mr. Swann mentioned synergies with recent Green Building United activities and the Philadelphia Accelerator Fund. Ms. Schapira mentioned they had previously collaborated with the Accelerator Fund to apply for funding for joint technical assistance programs for diverse developers and contractors related to commercial and residential construction.

**Adjournment**

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

Respectfully Submitted,

  
Secretary of the Board of Directors