

Philadelphia Energy Authority
Minutes of the Quarterly Meeting of the Board of Directors
February 7, 2024

The quarterly meeting (“the Meeting”) of the Board of Directors (the “Board”) of the Philadelphia Energy Authority (“the Authority”) was held on February 7, 2024 beginning at 4:30pm both in person at City Hall and via teleconference on Zoom.

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

E. Mitchell Swann
Elinor Haider
Matthew Bowman
Barbara Adams
Barbara Moore
Sophia Lee
Matt Stitt

Also present at the Meeting were: Katie Bartolotta (PEA), Andrew Niemynski (PEA), Alon Abramson (PEA), Rishika Ghosh (PGCC), Kate Lunger (PEA), Kai Hardy (PEA), Alexis Lounsbury (PEA), Tabeen Hossain (PEA), Maryrose Myrtetus (PGCC), Emily Schapira (PEA), Lisa Shulock (PEA), Matt Stern (PEA), Grace Hancock (PEA), Kayla Jones (PEA), Maxine Dixon (PEA), Rachid Echane (PEA), Nancy Mifflin (PEA), Melissa Duvelsdorf (PGCC), Craig Hinton, Mitch Chanin, Yashaanki Kora

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 November 15, 2023. Meeting minutes were provided to the Board in advance of the Meeting.

Upon motion duly made by Ms. Adams and seconded by Ms. Moore, the Board approved the November 15, 2023 meeting minutes.

Public Comment

Members of the public gave introductions. No further public comments were made.

Chair’s Report

No Chair’s Report this meeting.

President & CEO’s Report

Organizational Updates

Ms. Schapira gave an overview of recent hires and promotions within the PEA team, giving introductions to the board. Upcoming positions that the Authority will be hiring include a Good Jobs Challenge Program Manager, Compliance Manager and an Operations Manager.

Due to time constraints, the board agreed to vote on all resolutions at the beginning of the meeting before moving on to program updates.

Ms. Schapira requested consideration of the following resolution to renew the Philadelphia Energy Authority's pandemic sick leave policy.

RESOLUTION 02072024 – 01: RENEWAL OF PANDEMIC SICK LEAVE POLICY 2024

RESOLVED, that the Board of Directors of the Philadelphia Energy Authority (the "PEA") approves the renewal of the Pandemic Sick Leave Policy as attached hereto through December 31, 2024 to accommodate ongoing public health challenges.

Pandemic Paid Sick Leave Policy

Starting retroactively from January 1, 2024 until December 31, 2024, PEA will provide up to 5 days of paid sick leave to eligible employees when they are unable to work for certain public health reasons, including:

- *Care for self or family member showing symptoms of COVID-19 or RSV.*
- *Care for self or family member exposed to COVID-19 or RSV in order to self-isolate.*
- *Childcare or school closure.*
- *In order to receive a COVID-19 test, vaccine or recover from injury, disability or illness related to vaccination.*

This paid sick leave will be provided outside of and prior to using the eligible employee's existing paid time off. Pandemic Leave will be provided to employees immediately with no waiting period. An employee must submit a self-certified statement asserting that leave was used for Pandemic Leave purposes.

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

Ms. Schapira provided an overview of program fee revenue and PEA's needs relative to the Board-Designated Reserve Fund, and requested the Board consider a resolution to authorize encumbrance of certain funds. Mr. Swann asked whether the proposed increase to the reserve cover new staff hires, which Ms. Schapira affirmed.

Ms. Haider inquired about how many of PEA's grants were reimbursement based, and whether PEA had a preference for holding working capital reserves or line of credit. Ms. Schapira indicated this would be a topic of discussion at the next board workshop. PEA has been researching different options for establishing a working capital line of credit relative to reimbursement-based grants.

Ms. Schapira requested consideration of the following resolution to authorize the encumbrance of funds.

RESOLUTION 02072024 – 02: 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 FY23 Program Fees from the Water and Sewer Service Line Protection Program, in the amount of \$1,478,384.06 shall be restricted in the following ways that help build the scale and sustainability of PEA’s work:

- 1. \$700,000 shall be used to supplement the FY24 and FY25 operating budgets and may be rolled over into future fiscal years if unspent.*
- 2. \$702,507.80 shall be transferred 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, annual audit, critical software, insurance and legal fees. All interest earned on this account shall accrue to the BDRF and the same restrictions shall apply.*
- 3. \$75,876.26 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.*

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

Ms. Schapira proposed consideration of the following resolution to adopt the Philadelphia Energy Authority’s Fiscal Year 2023 Audit Report.

RESOLUTION 02072024 – 03: ADOPTING THE FY23 AUDIT REPORT

RESOLVED, that the Board of Directors of the Philadelphia Energy Authority (the "Authority") hereby adopts the Fiscal Year 2023 final audited financial report provided as attached hereto.

The Audit Committee consisting of Mr. Swann, Mr. Stitt and Ms. Haider, met with the auditor prior to this board meeting to review the audit document. Ms. Adams asked if the auditors had anything in particular to highlight. Mr. Swann said there was nothing of concern. Ms. Haider mentioned that the PEA's next fiscal year will hit the threshold for a federal single audit.

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

Program Updates

i. City Projects

Ms. Schapira has been appointed to co-chair Mayor Parker's transition team subcommittee on Environment and Sustainability, and PEA's Katie Bartolotta is also a member of the transition team.

PEA has supported applications for over \$2B total in Inflation Reduction Act (IRA) and Bipartisan Infrastructure Law (BIL) competitive funding, including the Greenhouse Gas Reduction Fund, Climate Pollution Reduction Grant (CPRG), Environmental Justice Community Change Grant, and others.

The Philly Streetlight Improvement Project (PSIP) has installed 16,000 lights so far. The Streets Department's Future Track crews are working hard to clear alleyways in preparation for installation, and the assembly pods at American Power Electric Supply are up and running. A map detailing installed fixtures and a two-week look-ahead can be found on the [PSIP website](#).

The Adams Solar project is physically complete and testing delivering power now. Commercial Operation Date is expected sometime this spring, with a ribbon cutting planned in April to kick off Earth Month.

PEA, in coordination with the Office of Sustainability (OOS), released an RFP in October 2023 for energy efficiency and clean energy work at the Quadplex (the City's four Center City office buildings), health centers and homeless services buildings. Proposals are due February 9th. Another RFP for off-site renewables is planned for FY24.

Mr. Swann inquired about the status of the Northeast Airport project. Ms. Schapira answered that the project will need to be re-procured due to interconnection issues.

ii. School District Projects

GESA projects are ongoing. PEA and PGCC have been working with state legislators and officials to support development of a solar schools funding mechanism. Additional information will be available soon.

iii. Residential Programs

Solarize Philly's 2023 goal of 250 low- and moderate-income (LMI) households was surpassed with 897 total contracts, and the goal of 500 market rate projects was also exceeded. The program continues to scale with 2024 goals including 2,000 LMI contracts.

An RFP for Solar and Battery Storage Installation Vendors and RFI for Solar Financing Models was recently released. Four vendors have been selected: PosiGen, Superior Solar, Exact Solar, and Solr Standard. Solarize Philly continues to be the largest solar initiative in the country.

The Built to Last program has completed software updates to its CRM system and has onboarded a new services and construction management partner. DOE-funded evaluation of the program's efficacy continues with partners New Ecology Inc. and Three3. There is currently a waitlist of over 1,000 homes.

The American Water Resources (AWR) partnership serves 86K customers in the flagship Water and Sewer Line Protection Program. The contract has officially been renewed for 3 additional years, which marks the final allowable renewal for this program. PEA negotiated a reasonable price increase with AWR to account for inflation, labor and equipment costs.

iv. Workforce Development

The Bright Solar Futures program engaged Ebony Suns Enterprises LLC at the start of 2024 to provide entrepreneurship training and coaching for our high school students at Frankford. BSF students are receiving both industry professional coaching and solar instruction from Solar States and instructor Ky Sanders. The CTE program at Frankford is winding down, with opportunities at other schools being developed.

vi. Commercial Programs

Philadelphia's C-PACE program closed two deals this quarter. There have been 17 projects total since FY21 when the program began with an average project size of \$12MM.

vi. Philadelphia Green Capital Corp.

PGCC is currently recruiting a Solar for All Director to prepare for the program rollout later this year. Grant funding has been secured from the Anderson Family Foundation and Neubauer Family Foundation. PGCC is well positioned to expand to a five-county footprint in southeast PA with funding and programs from the Greenhouse Gas Reduction Fund, including Solar For All.

Treasurer's Report

Ms. Schapira gave a brief overview of the December financial statements noting that PEA's new Finance Director, Rachid Echane, will be working closely with PEA's accountant at Your Part Time Controller to further refine these documents. PEA is in a strong cash position, and has underspent the FY24 budget to date. PEA is on track to reach budgeted revenue, with \$6.4MM in revenue so far.

Ms. Adams inquired about bank charges and low interest received on reserves. Ms. Schapira explained a recent change in banking practices due to fraud experienced last year resulting in higher fees, and said she would follow up on interest received. Ms. Adams suggested releasing an RFP for banks.

Ms. Adams also asked about representing depreciation on the financial statements. Finance Director Rachid Echane will work with Your Part Time Controller to resolve this.

New Business

No new business.

Adjournment

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

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Barbara Adams".

Secretary of the Board of Directors