

**Philadelphia Energy Authority
Minutes of the Quarterly Meeting of the Board of Directors
January 29, 2025**

The quarterly meeting ("the Meeting") of the Board of Directors (the "Board") of the Philadelphia Energy Authority ("the Authority" or "PEA") was held on January 29, 2025 beginning at 4:30pm both in person at PEA's Office 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
Sophia Lee
Matthew Stitt

Also present at the Meeting were: Emily Schapira (PEA), Matt Stern (PEA), Kayla Dargan (PEA), Ben Block (PEA), Katie Bartolotta (PEA), Alon Abramson (PEA), Andrew Niemynski (PEA), Nancy Mifflin (PEA), Emily Lucas (PEA), Rachid Echane (PEA), Maryrose Myrtetus (PGCC), Eric Miller (PGCC), Jonathan Krigger (PEA), Kayla Jones (PEA), Kate Lunger (PEA), Melissa Duvelsdorf (PGCC), Abby Rambo (PGCC), Isaiah Smith (PEA), Grace Hancock (PEA), Kai Hardy (PEA), Tabeen Hossain (PEA), Baird Brown (Eco(n)law), Will Torres, Sam Green (Green Family Foundation), Ben Clark, Athena Bauerle, Ben Vila (Ballard Spahr LLP).

Call to Order

At 4:33pm 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 October 30, 2024. Meeting minutes were provided to the Board in advance of the Meeting.

Upon motion duly made by Ms. Adams and seconded by Ms. Lee, the Board approved the October 30, 2024 meeting minutes.

Public Comment

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

Chair's Report

Mr. Swann requested consideration of the following resolution to approve the charter of the Audit and Finance Committee.

**RESOLUTION 01292025 – 03: APPROVAL OF THE AUDIT AND FINANCE COMMITTEE
CHARTER**

WHEREAS, the Board of Directors (the "Board") of the Philadelphia Energy Authority ("PEA") recognizes the importance of maintaining effective oversight of the organization's financial

operations, including its financial reporting, internal controls, audit processes, and risk management practices; and

WHEREAS, the Audit and Finance Committee (the "Committee") is a vital part of the organization's governance structure, responsible for overseeing the integrity of the organization's financial statements, ensuring the effectiveness of internal controls, reviewing the scope and results of external audits, and providing overall guidance on financial strategy;

WHEREAS, the Board has reviewed and discussed the proposed Audit and Finance Committee Charter (the "Charter"), which outlines the responsibilities, authority, and membership of the Committee, as well as the processes by which it will operate; and

WHEREAS, the Board deems the Charter to be aligned with the best interests of the organization, ensuring sound governance, financial accountability, and compliance with applicable legal and regulatory requirements;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby approves the Audit and Finance Committee Charter, in substantially the form presented hereto, and authorizes the Committee to operate in accordance with the guidelines set forth therein.

BE IT FURTHER RESOLVED, that the Charter may be amended or updated from time to time, as necessary, to reflect evolving best practices, regulatory requirements, or organizational changes, with any such amendments subject to approval by the Board.

BE IT FINALLY RESOLVED, that the Board directs the Audit and Finance Committee to undertake its duties and responsibilities in line with the approved Charter and to report back to the Board as required.

Ms. Adams expressed her support for the charter, and advised that PEA establish the committee and allow for edits to the charter as needed in the future.

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

Ms. Schapira requested consideration of the following resolution to approve updates to the employee handbook.

RESOLUTION 01292025 – 01: ADOPTING THE UPDATED EMPLOYEE HANDBOOK

RESOLVED, that the Board of Directors of the Philadelphia Energy Authority (the "PEA") adopts the updated Employee Handbook as attached hereto.

Changes to handbook include the following additions:

- *Bone Marrow, Stem Cell or Organ Donation Leave Policy*
- *Sabbatical Policy*

- *Black Friday to list of observed holidays (per City of Philadelphia)*
- *Sick days to Paid Time Off*

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

Ms. Schapira requested consideration of the following resolution to authorize additional bank signatories on the Authority's checking account.

RESOLUTION 01292025 – 02: AUTHORIZING OFFICER TO BE ADDITIONAL BANK SIGNOR

RESOLVED, that the Board of Directors of the Philadelphia Energy Authority (the "PEA") approves an update of the authorized signatories of the government entity's checking account at PNC Bank ("PNC"). Authorized signatories will include the Chair of the Board, Vice Chair, Treasurer, Secretary, and Executives of PEA who are also Officers, currently PEA's President & CEO and Katie Bartolotta, Vice President of Policy and Strategic Partnerships.

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

Ms. Schapira requested consideration of the following resolution to authorize the encumbrance of FY24 Water and Sewer Line Protection Program fees for budgetary reallocation.

RESOLUTION 01292025 – 04: 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 FY24 Program Fees from the Water and Sewer Service Line Protection Program, in the amount of \$1,971,355.09 shall be restricted in the following ways that help build the scale and sustainability of PEA's work:

1. *\$1,458,047 shall be used to supplement the FY25 and FY26 operating budgets and may be rolled over into future fiscal years if unspent.*

2. *\$128,151 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 but not limited to 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. *\$385,157.09 shall be encumbered for Program Subsidies. This funding 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 Mr. Stitt, the Board approved the resolution unanimously.

President & CEO's Report

Organizational Updates

Ms. Schapira introduced PEA's new hires: Ben Block, Senior Communications Manager and Isaiah Smith, Clean Energy Fellow. Upcoming hiring includes an Outreach Manager for Commercial Programs, Program Manager for the PEA Workforce team, and a Solar Programs Coordinator.

Ms. Schapira provided updates regarding federal funding. No existing PEA federal funding has been withheld in federal funding freezes. There is no change to business operations at this time, and PEA will continue to seek other sources of funding.

Ms. Schapira and other PEA/PGCC staff members will be testifying before the House Energy Committee in Harrisburg, PA on February 4, 2025 regarding Solar for All funding.

Program Updates

I. Policy Updates

Ms. Bartolotta provided an update on residential rebates, which are expected to become available by May 2025.

Ms. Bartolotta then provided updates on Municipal Projects:

- PWD Wastewater Treatment Plants Guaranteed Energy Savings Act (GESA) - An RFP was released on January 10, 2025.
- Quadplex+ GESA - This project entails energy efficiency improvements in 14 municipal buildings across the City of Philadelphia. Johnson Controls (JCI) has been selected as the prime vendor. A special session is anticipated to be scheduled for the Board to review and approve PEA entering into a contract for this project .
- Utility-scale off-site renewables power purchasing agreement (PPA) - Eight projects (five firms) responded to RFP. PEA is in the process of making final selections.

- Philadelphia Streetlight Improvement Project - 90,000 of the 130,000 fixtures have been installed citywide to date.
- Solar for Schools - Applications for 6 Philadelphia public schools submitted in December 2024. Grant requests total \$2.1MM. Additional grants requested at one charter and Community College of Philadelphia.

II. Residential Programs

Built to Last (BTL):

- Mr. Abramson detailed new partnerships with Fannie Mae and New Kensington Community Development Corporation (NKCDC), which includes both home repair and financial planning for homeowners.
- The City of Philadelphia will be rolling out its new "One Front Door" program in early 2025, an intake portal combining many available assistance programs, including Built to Last.
- To date, Built to Last has completed 200 homes, 37 homes have construction in progress, and 169 homes have completed intake.

Water and Sewer Service Line Program: \$75 million of savings to date for consumers, 85,000 customers in the program.

Solarize Philly (Residential):

Phase 8 of Solarize Philly is currently underway, with 4 installers in the program. Over 1000 homes have completed solar installations in Phase 8. 54% of all projects serviced low-moderate income households.

III. Workforce Development

Ms. Jones provided updates on PEA's Workforce initiatives and partnerships.

Bright Solar Futures (BSF):

The School District of Philadelphia and PEA selected Randolph Technical High School for the Bright Solar Futures CTE program, to begin in fall 2025. The PEA Workforce team is currently recruiting for a full-time instructor.

Other Training: 2 cohorts of PEA's GRIT residential green construction program will run in mid-2025, and additional OSHA 10 and OSHA 30 trainings were completed this quarter. PEA also hosted a Clean Energy Mixer to provide information and resources to clean energy businesses. 40 companies were in attendance.

IV. C-PACE

Ms. Schapira provided a C-PACE update for FY25 Q2. Rhoads Industries Phase 2, located in the Navy Yard, closed in Q2 for \$32MM of C-PACE financing for energy efficiency upgrades as part of a second renovation of the industrial facility.

V. Solarize Philly (Commercial)

Ms. Schapira discussed a new PEA partnership with the PA Solar Center, to expand solar installations on commercial and non-profit buildings. The partnership is funded by the William Penn Foundation and will be managed by Lisa Shulock, Director of Commercial Programs, in conjunction with the PA Solar Center and an Outreach Manager, to be hired by PEA.

VI. Philadelphia Green Capital Corp (PGCC)

Ms. Myrtetus discussed PGCC's recent achievement of entering into a loan agreement with the Coalition for Green Capital to bring Greenhouse Gas Reduction Fund dollars to Pennsylvania. PGCC has released an RFI for eligible projects, which closes on January 31, 2025.

PGCC is continuing to plan for the anticipated Solar For All program launch in Summer 2025.

Treasurer's Report

Ms. Schapira reported on the status of PEA's financial audits and financial position. This year for the first time, PEA has met the funding threshold that requires a single audit for federal compliance. PEA is in the process of finalizing its federal single audit, and a Finance and Audit committee meeting will be held with PEA's auditor to review and consider adoption of PEA's standard and single audits. PEA has submitted its standard audit to the City of Philadelphia and Commonwealth of Pennsylvania.

PEA is in good financial standing with a strong cash position, appropriate reserves and diverse revenue sources.

New Business

A special session will be scheduled prior to the April 2025 quarterly board meeting, for the Board to review and consider PEA entering into a contract for the GESA Quadplex+ project.

Adjournment

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

Respectfully Submitted,



Secretary of the Board of Directors