

Philadelphia Energy Authority
Minutes of the Quarterly Meeting of the Board of Directors
April 27, 2017

The quarterly meeting (“the Meeting”) of the Board of Directors (“Board”) of the Philadelphia Energy Authority (“the Authority”) was held on April 27, 2017, beginning at 4:00pm at the Municipal Services Building, 16th Floor, Room 5, 1401 JFK Blvd., Philadelphia, PA 19102.

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

Christopher A. Lewis (Chair)
E. Mitchell Swann (Vice Chair & Treasurer)
Barbara Adams (Secretary)
Adam Agalloco (Member)
Emily Schapira (Member & Executive Director)

Also present at the meeting were: Chelsey Lowe (PEA Program Coordinator), Nancy Mifflin (Consultant to PEA), LJ Petroni (Siemens), Mike Heaney (private citizen) and Rich Madeira (Siemens).

Call to Order

Mr. Lewis 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

As the first order of business, Mr. Lewis moved that the Authority approve the minutes from the previous meeting held on January 17, 2017 (“Prior Meeting”) with one amendment. The minutes should be amended to show that Mr. Lewis nominated Ms. Adams to become Secretary and that was approved. Motion seconded by Ms. Adams, and unanimously approved.

Chair’s Report

Mr. Lewis’s report was an acknowledgement of the recent advancements in the Philadelphia Energy Campaign and recognition of PEA Executive Director, Ms. Schapira.

Executive Director’s Report

Ms. Schapira provided both administrative and programmatic updates.

1. **Hiring:** PEA hired Alon Abramson as Program Manager, who began in April 2017. Ms. Schapira also mentioned she is preparing to make an offer to former PEA intern Laura Rigell as Solar Manager. PEA has received a \$50,000 grant for Solarize Philly so those funds will be earmarked for Laura’s salary, and additional funds were requested in the FY18 budget to cover it going forward.
2. **Solarize Philly:** Launched 4/27/17 via press conference with Councilmembers Blondell Reynolds Brown and Derek Green. Also released RFP for installers, and are planning a future RFP for

manufacturers/distributors. Mr. Agalloco asked if we would need to put out an RFP for a lender. Ms. Schapira explained we would rely on installers to provide optional financing for now.

Received \$19,000 in grant funds from GreenFutures at the School District of Philadelphia to support summer solar training program at Ben Franklin High School, through Philadelphia Youth Network's WorkReady program. Program will fund 20 students. Industry professionals will serve as instructors. Goal of students receiving OSHA 10 certification. Mr. Swann suggested connecting with Community College of Philadelphia for a 3-year solar installer program.

Mr. Lewis asked if the new federal administration's tax proposals might affect solar tax credits. Ms. Schapira and Mr. Agalloco agreed that it is unlikely the current tax credit, which is good through 2019, will be touched since it is already scheduled to phase out.

3. **Water and Sewer Line Insurance Program:** PEA is targeting May 2017 for an RFP to be released. The program would cover the lateral lines from the home to the water main. This program is a model from the National League of Cities, and aims to accelerate the pace of repairs and protect homeowners from unexpected costs. Ms. Schapira expects the program to create energy savings for the Philadelphia Water Department of up to \$1 million/year. Mr. Swann asked for additional calculation details for PWD energy savings, which Ms. Schapira will provide after the meeting.

Expected cost to homeowners will be \$7-8/month with \$10,000 in coverage. City Council will likely be the supporting City entity and will send a letter to City homeowners encouraging them to join the endorsed program. The selected vendor will pay a 1-time upfront fee to PEA for standing up the program and a yearly commission back to the City. PWD released an RFI about this program in January 2016 and is supportive of the program.

4. **Small Business Pilot:** Phase 1 is completed with Penn State. Audited 53 businesses, proposals to half as of today. Closed two projects so far, with a number more that are currently open that are likely to close. PEA is entering evaluation mode. Lost the PA Department of Environmental Protection allocation that held \$95,000 for our program for next year, so looking at other subsidy options. Currently working on a Phase 2 program with another partner that will focus on West Philadelphia and test out other models.
5. **Schools:** Working on a three-school efficiency pilot as released in recent press conference. The RFP for the engineering firm to manage the ESCO is closed, with an internal SDP selection committee. SDP also announced at the press conference that they would include energy planning in their capital process. Mr. Agalloco shared that the City is drafting energy efficiency guidance documents for SDP for capital projects that can be used for design development and planning. These documents were designed for Rebuild but could also be used for schools.
6. **Municipal Projects:** Mr. Agalloco mentioned they had completed the Art Museum RFQ and would share soon. He also mentioned Rebuild energy standards are nearly complete, he is working on a proposal for a Public Safety energy project focused around the Prisons complex, and is still working on the financials for LED streetlighting.

7. **Housing:** Ms. Schapira explained the City Council Housing Preservation Initiative, which includes two bond issuances – one for clearing the City’s home repair program waitlists (being managed by PHDC), and the other for a home repair loan program (being run by the Philadelphia Redevelopment Authority). PEA is working with both entities to support program development and incorporate energy standards.

Ms. Schapira updated the board on the ongoing multi-family affordable housing pilot working with BlocPower and CMC. It incorporates 4 buildings, 200 units and two nonprofit housing owners. Phase 1 installation should take place in early Fall. BlocPower is handling engineering and most of the financing through an innovative model they’re currently using in New York.

Ms. Schapira mentioned a single-family program in early stages of development, and a small photo essay project focusing on existing housing conditions in Philadelphia. Budget for the photo essay is \$2,500 with additional funds to be raised to support a larger project.

8. **2018 Energy Conference:** Interested in partnering with Barbara Moore from Philadelphia Housing Authority to develop a conference in Philadelphia bring energy practitioners, vendors and decisionmakers together to stimulate local market. Will require a steering committee for planning.
9. **Speaking Engagements:** PEA presenting at Department of Energy Better Buildings Summit in DC in May 2017, Smart Cities Connect in Austin in June and the DVGBC Sustainability Symposium in a week.
10. **Job Tracking:** Ms. Schapira noted that job counting has not yet begun for FY16. Alon will focus on beginning this process, and will work with SEPTA on their various projects to include their counts.
11. **Smart Cities Conference:** Partnering with the City’s Office of Innovation and Technology on an upcoming Smart Cities Conference in October 2017.

Public Comment: Mike Heaney expressed concerns about the prioritization of solar in the Energy Campaign, would prefer to see more focus on energy efficiency. Mr. Lewis and Ms. Schapira explained the prominence of energy efficiency in City, Schools, Multi-Family housing and small businesses.

Treasurer’s Report

Mr. Swann reviewed Budget vs. Actuals, and highlighted PEA was under budget largely due to the late hiring of staff. The board agreed our budget was flexible enough to hire Laura Rigell. PEA was also under budget on legal fees and will continue to retain Austin MacGreal. The consulting budget was about 20% over budget, which was expected since the category included other items that could be recategorized.

Website development budget will be used in its entirety, and Mr. Swann and Ms. Schapira expect to have roughly \$100,000 in cash leftover at the end of the year. PEA retains roughly \$171,000 in funds

from an FY2016 special allocation from City Council, which Ms. Schapira is expected to utilize to support a summer intern and summer solar training at the School District.

Mr. Swann and Ms. Schapira, at the recommendation of the PEA's accountant, suggested the creation of a Board Designated Reserve Fund, which would contain six months of payroll in case of late payment from the City or other issues that could jeopardize organizational continuity.

Ms. Schapira explained the FY18 budget request to the City. PEA is viewing city money as seed funding. The Budget requested would allow for hiring another program manager, and would add back in retirement benefits.

New Business: Annual Statements of Financial Interest are due for the State and City. At PEA's next board meeting, we will recognize Ken Ogawa's service to PEA. Mr. Swann discussed a project in Edmonton, Canada that he wanted Ms. Schapira and Mr. Agalloco to review regarding waste-to-fuel. Also requested to be engaged in more City fleet fuel projects.

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