

Pennsylvania Energy Development Authority

Board of Directors Meeting
May 20, 2025

JOSH SHAPIRO, GOVERNOR | JESSICA SHIRLEY, ACTING SECRETARY



Pennsylvania
Department of
Environmental Protection

PEDA Board Meeting Recording Consent

This meeting is being recorded for PEDA's internal use as a backup to the minutes being taken manually. Your continued attendance is your consent to the recording of this meeting and to the retention and use of the recording, including any comments or questions presented verbally or in the Teams chat.





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Agenda

- I. Welcome/Roll Call
- II. Approval of Minutes
- III. Appointment of Assistant Secretary
- IV. Financial Update
- V. Energy Development Plan 2025 Revision
- VI. Energy Accelerator Program Updates
- VII. New Business
 - A. Underwriting, Servicing, and Processing of Solar for School Loans
 - B. New Contract with PFM Financial Advisors LLC
- VIII. Public Comment
- IX. Adjourn



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Call To Order – Roll Call

Ex-Officio Members:

- Jessica Shirley (DEP -- Chair)
- Rick Siger (DCED)
- Russell C. Redding (PDA)
- Wendy Spicher (BAS)
- Stephen M. DeFrank (PUC)
- Darryl Lawrence (Consumer Advocate)

State House:

- Rep. Joshua Kail
- Rep. Elizabeth Fiedler

State Senate:

- Sen. Carolyn Comitta
- Sen. Gene Yaw

Appointed by Governor and Confirmed by Senate:

- Laureen M. Boles
- Romulo L. Diaz, Jr.
- Sarah Hetznecker
- Bernie M. Lynch
- Vacant
- Vacant
- Vacant
- Vacant
- Vacant



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Appointment of Assistant Secretary

Chloe Wilson

Administrative Officer

Department of Environmental Protection Energy Programs Office

Rachel Carson State Office Building

400 Market Street | Harrisburg, PA 17101

Phone: 717-772-1893

chlowilson@pa.gov



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2024-25 PEDA Budget Overview

Available 24-25 PEDA Funds	\$2,374,984
Planned Admin Expenditures	- \$60,801
Admin Paid	- \$76,479
Remaining PFM Contract	- \$56,210
Remaining NEIF Contract (PEDA)	- \$35,235
IT Services	- \$35,000
EAP KEEP Fund	- <u>\$500,000</u>
Net Balance:	\$1,611,259

*Through April 30, 2025



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Energy Development Plan Revision

[Link: Draft 2025 Energy Development Plan for comment](#)

COMMENTS DUE JUNE 13, 2025

Energy Accelerator Program Updates

- KEEP Home Energy Loan
- MORE Grant & Loan
- Solar for All
- Solar for Schools Loan
- Energy Independence for Municipalities
- Strategic Lending Partnership with Philadelphia Green Capital Corp.
- PA BRIGHT Grant

PROGRAM UPDATE

May 2025

Peter Krajsa, Co-Chair and Managing Member,
NEIF



keepenergyloan.org

Special Financing for Energy Efficiency Upgrades for Pennsylvania Homeowners

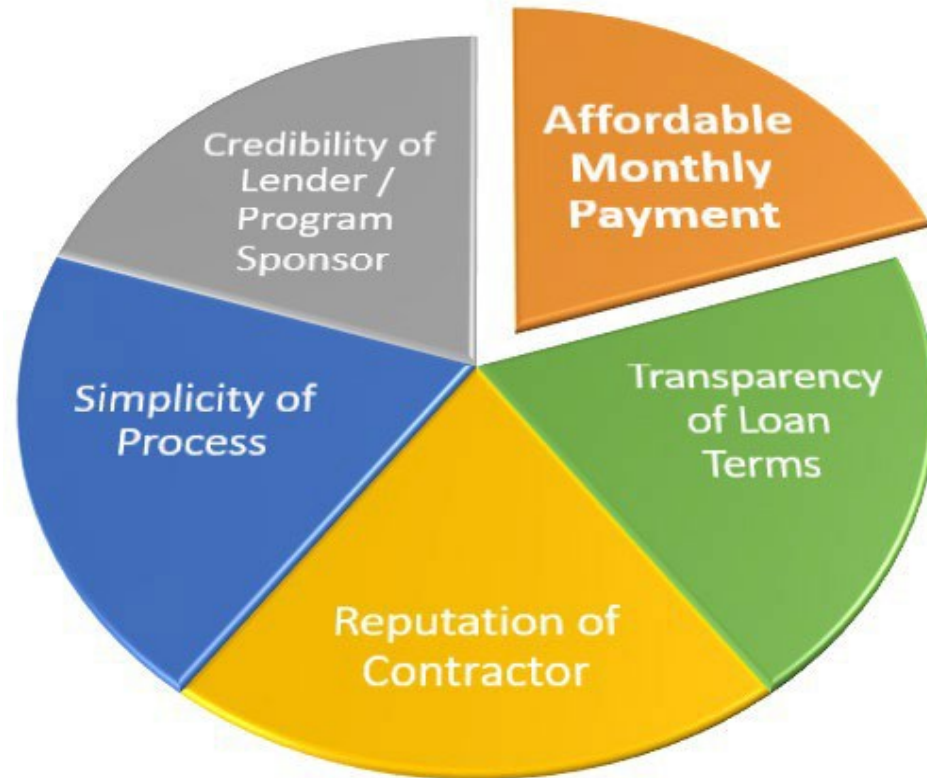


KEEP HOME ENERGY LOAN

KEYSTONE ENERGY EFFICIENCY PROGRAM
Supported by PEDA • Powered by  NEIF

Helping PA Homeowners & Contractors in Uncertain Markets

- Homeowners will continue to make essential energy improvements
- The question is, how will they deal with higher prices and an uncertain economy?
- They are a major purchase, often unexpected. For many it's too big for generic or promotional "financing"
- Rebates are fantastic – but still leave a gap that has to be met
- Traditional finance company "dealer fees" can squeeze contractor margins



KEEP Loan - \$3MM in applications , 1.4MM in funded loans in first year

- \$1 million in PEDDA funds to be leveraged into est. \$10MM in loans with \$9MM in private capital
- Approval rate of close to 70% consistent with NEIF national averages
- “Pull-Thru” (application to funded loans) at 46% consistent with NEIF national averages
- Average loan amount \$10,367
- Application growth year to date is consistent but flat compared to NEIF 25% national average

APPLICATIONS			
Sum of Loan Amount Column L			
	2024	2025	Grand Total
<input checked="" type="checkbox"/> Approved	\$1,553,849	\$589,803	\$2,143,653
Approved		\$141,985	\$141,985
Funded	\$1,179,994	\$219,518	\$1,399,512
Pre-Approved		\$28,500	\$28,500
Withdrawn	\$373,855	\$199,800	\$573,655
<input checked="" type="checkbox"/> Denied	\$556,099	\$337,835	\$893,934
Denied	\$556,099	\$337,835	\$893,934
Grand Total	\$2,109,948	\$927,638	\$3,037,586
Approval Rate	69.39%		
Pull-Thru Rate	45.92%		

Keystone (KEEP) Home Energy Loan – Go Greener, Affordably.

- Unsecured installment loan, no lien filed on home
- Eligible improvements include ENERGY STAR® rated heating and cooling, windows, doors, air sealing and insulation
- 3, 5, and 10 Year Terms
- Maximum project size \$25,000
- 8.99% fixed rate
- Rate is locked in for full term when loan is made
- No penalty for pre-payment
- No cost to contractor

KEEP HOME ENERGY LOAN

KEYSTONE ENERGY EFFICIENCY PROGRAM
Supported by PEDAs • Powered by  NEIF

Monthly Payment Examples

Loan Amount	36 Months	60 Months	120 Months
\$2,500	\$79	\$52	\$32
\$5,000	\$159	\$104	\$63
\$7,500	\$238	\$156	\$95
\$10,000	\$318	\$208	\$127
\$12,500	\$397	\$259	\$158
\$15,000	\$477	\$311	\$190
\$17,500	\$556	\$363	\$222
\$20,000	\$636	\$415	\$253
\$25,000	\$795	\$519	\$317

All loans are made directly to the consumer by National Energy Improvement Fund, LLC. Payment estimates based on 8.99% APR. Rates subject to change.

- Eligible loan amount based on qualifying credit score.
 - 720 plus: \$2,500 to \$25,000
 - 700-719: \$2,500 to \$20,000
 - 680-699: \$2,500 to \$15,000
 - 640-679: \$2,500 to \$10,000

State-wide Penetration with Lesser Uptake in Western PA

FUNDED LOANS BY REGION AND PULL-THRU (APP TO CLOSE) RATE				
Status of Loan	Funded			
Row Labels	Sum of Loan Amount	Average of Days to Funding	Average of Loan Amount2	Pull Thru Rate
Central	\$144,976	40.52	\$9,061	36.36%
Northeast	\$690,817	39.45	\$10,467	49.62%
Northwest	\$11,220	23.42	\$5,610	40.00%
Southeast	\$504,011	24.63	\$11,200	53.57%
Southwest	\$48,488	22.77	\$8,081	21.43%
Grand Total	\$1,399,512	33.66	\$10,367	45.92%

Broad-based Credit and Income Approval with Geographic Disparities

Percentage of Total in Region					
	<640	640-679	680-719	720 Plus	
Central	36.36%	9.09%	6.82%	47.73%	
Northeast	16.54%	15.79%	13.53%	54.14%	
Northwest	40.00%	0.00%	20.00%	40.00%	
Southeast	14.29%	15.48%	11.90%	58.33%	
Southwest	53.57%	3.57%	21.43%	21.43%	
Grand Total	22.79%	13.27%	12.93%	51.02%	
Percentage of Total in Region					
	Less than 50% AMI	50 to 79% AMI	80 to 119% AMI	120 to 149% AMI	Greater than 150% AMI
Central	9.09%	25.00%	18.18%	20.45%	27.27%
Northeast	11.28%	12.78%	24.81%	17.29%	33.83%
Northwest	0.00%	40.00%	0.00%	0.00%	60.00%
Southeast	9.52%	20.24%	23.81%	14.29%	32.14%
Southwest	10.71%	17.86%	42.86%	3.57%	25.00%
Grand Total	10.20%	17.69%	24.83%	15.31%	31.97%

Wide Variety of Qualifying Energy Improvements

FUNDED LOANS BY IMPROVEMENT TYPE		
Status of Loan	Funded	
Row Labels	Sum of Loan Amount	Average of Loan Amount2
Air Sealing	\$16,709	\$4,177
Air Source Heat Pump	\$381,158	\$12,295
Central AC	\$306,670	\$10,953
Door Improvement	\$22,173	\$11,086
Ductless Mini-Split A/C	\$33,610	\$8,403
Ductless Mini-Split Heat Pump	\$150,149	\$9,384
Gas Boiler	\$171,241	\$12,232
Gas Furnace	\$113,963	\$8,766
Heat Pump Water Heater	\$4,990	\$4,990
Insulation	\$58,493	\$7,312
Oil Boiler	\$47,386	\$9,477
Oil Furnace	\$22,532	\$7,511
Propane Boiler	\$19,000	\$9,500
Propane Furnace	\$47,222	\$15,741
Window Improvement	\$4,217	\$4,217
Grand Total	\$1,399,512	\$10,367

State-wide Base of Approved Contractors

- Uptake has been mostly by smaller contractors
- Only 5 contractors have submitted more than 10 applications, most have been “onesies and two-sies”
- Not as easy to engage Western PA contractors

Row Labels	Count of Deale
Central	54
Northeast	71
Northwest	11
Southeast	95
Southwest	33
Grand Total	264

Observations About Program Uptake

- As in most energy efficiency home improvement purchases, program uptake is driven by the contractor, not the consumer
- The market has shifted since program inception
- The loan terms are “good but not great” as compared to other financing options available to contractors, especially larger ones who have manufactured-subsidized promotional financing programs
- Direct consumer loan applications have been limited as there has not been a high level of state-backed program promotion and branding until recently
- There appears to be a lesser emphasis (in Western PA particularly) by contractors focused on selling heat pumps and higher efficiency improvements
- Adjustments to broaden qualifying improvements have been made, but only recently

Action Steps to Increase Speed of Uptake

- NEIF is developing deeper partnerships with utilities for cross marketing including PGW, PECO and Duquesne
- We are broadening our reach with manufacturers with larger PA presences including LG and Energy Kinetics
- We are increasing our activity with trade associations and their members including PA ACCA, KEEA and PPA
- We are focused on growing the Western PA Approved Contractor base and are expanding resources and outreach
- We are incorporating PEDA's new logo in all literature and marketing material for marketing impact
- We are working with PEDA staff to expand public relations outreach
- We are working with PEDA staff on potential changes to the interest rate structure to make the program “more special” for PA consumers and contractors

Energy Accelerator Program Updates

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New Business

Underwriting, Servicing, and Processing of Solar for Schools Loans

Proposed motion:

The PEDDA board authorizes and directs staff to execute agreements through which PEDDA would retain services from an outside vendor, through the Commonwealth's Invitation to Qualify program, and the Office of the Budget, the Department of Community and Economic Development, and/or other Commonwealth agencies, through a memorandum of understanding, for the underwriting, processing, and servicing of loans issued by PEDDA. The board further authorizes and directs staff to advance the costs incurred for such services from any funding sources available to PEDDA, if necessary, before recovering such costs in full as part of the fees charged to borrowers.



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New Business

New Purchase Order with PFM Financial Advisors LLC

Proposed motion:

The PEDDA board of directors authorizes and directs staff to expend funds from the Energy Development Fund in an amount up to \$75,000 to retain PFM Financial Advisors LLC (PFM), through the Office of the Budget's master agreement with PFM, to continue to provide strategic consulting services to PEDDA for a twelve-month period beginning on July 1, 2025.



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Other Business

Additional PEDA issues for discussion?



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Public Comment

Open floor for public comment



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Adjourn

Next scheduled meeting: August 19, 2025



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The Department of Environmental Protection's mission is to protect Pennsylvania's air, land and water resources and to provide for the health and safety of its residents and visitors, consistent with the rights and duties established under the Environmental Rights Amendment (Article 1, Section 27 of the Pennsylvania Constitution).