



Pennsylvania Energy Development Authority Board of Directors Meeting

November 7, 2024



The Authority's mission is ***to expand the market for Pennsylvania's clean, diverse, indigenous energy resources, and to make contributions to energy conservation, energy efficiency, resiliency and development.***

Agenda

- I. Welcome/Roll Call
- II. Approval of Minutes
- III. Financial Update
- IV. Energy Accelerator Program Updates
 - KEEP Home Energy Loan
 - MORE Grant/Loan
 - Solar for All
- V. 2025 Energy Development Plan Revision
- VI. New Business
- VII. Public Comment
- VIII. Adjourn

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)
- Patrick Cicero (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

2024-25 PEDA Budget Overview

Available 24-25 PEDA Funds	\$2,372,225 (estimated)
Planned Admin Expenditures	- \$172,280
Partially paid contracts	- \$28,038
Remaining NEIF Contract	- \$26,033
Remaining PFM Contract	- \$78,803
EAP KEEP Fund	<u>- \$500,000</u>
Net Balance:	\$1,567,071

*Through September 30, 2024

EAP Updates – KEEP Home Energy

- Purpose: Offer affordable financing to PA homeowners for energy efficiency upgrades
- Amount of funding: \$1 million From PEDDA + 10:1 leverage through NEIF
- Source of funding: PA Energy Development Fund
- Status: Open – accepting applications
- Timeline: Launched 4/8/24, open continuously while funds are available

KEEP Home Energy Loan Updates

Loans Funded:	64
Total Funded Loans:	\$678,123
Approval Rate:	74.15%
Pre-Approved Contractors:	253 (+9 since August)

*Through October 8, 2024

EAP Updates - MORE Program

- Two-part energy efficiency financing program using federal funding
- Timeline
 - MORE Grant opened June 3, 2024
 - Priority applicant window closed August 30, 2024
 - All grant applications close ~~October 25, 2024~~ December 6, 2024
- MORE Loan program will be ready to open Nov/Dec
- Current application numbers
- Outreach efforts

EAP Updates - Solar for All

- EPA Grant Agreement executed
- Workplan, timeline, and budget submitted to EPA
- SFA program overview
- Continued program planning
 - Household solar lease program
 - Stakeholder engagement
 - Procurement strategy & document prep
- Following authorization
 - Complete subgrant agreement with PGCC
 - Issue RFPs
 - Community engagement
 - Workforce development

Energy Development Plan (EDP)

- Plan revision at least once every five years
- Currently version from 2020
- Revision process initiated this year for 2025 approval
- Process:
 - Current plan distributed to Board (1st meeting of 2024)
 - PEDDA ED to propose revisions to the Board (3rd meeting of 2024)
 - Issue draft for public comment (Fall 2024)
 - Finalize EDP after considering public comment
 - Board approval of final EDP (1st meeting 2025)

Solar for Schools Loan Program

Solar for Schools Loan Program Proposal

PEDA Board Meeting
November 7, 2024

Dr. Brian Regli PhD
Executive Director
Office of Critical Investments

Solar for Schools Loan Program

- PEDA to establish a Solar for Schools Loan product
 - Fund up to 100% of eligible project costs
 - 0% interest
 - 20-year term
 - Repaid through energy savings
- Benefits to school districts
 - Immediately cash accretive
 - Utility cost savings
 - No upfront, out-of-pocket costs
 - Free technical assistance
 - Most affordable financing opportunity

Market & PEDDA Opportunity



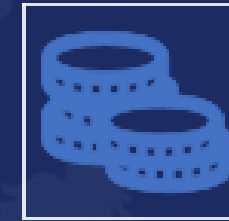
CFA Solar for Schools Grant \$25MM

- Max of \$.5MM per project
- PA Solar Center \geq 70 School Districts in queue
- Loan can compliment CFA grants



DOE Loan Programs Office

- \$100MM loan, loan guarantee
- Draw down as line of credit



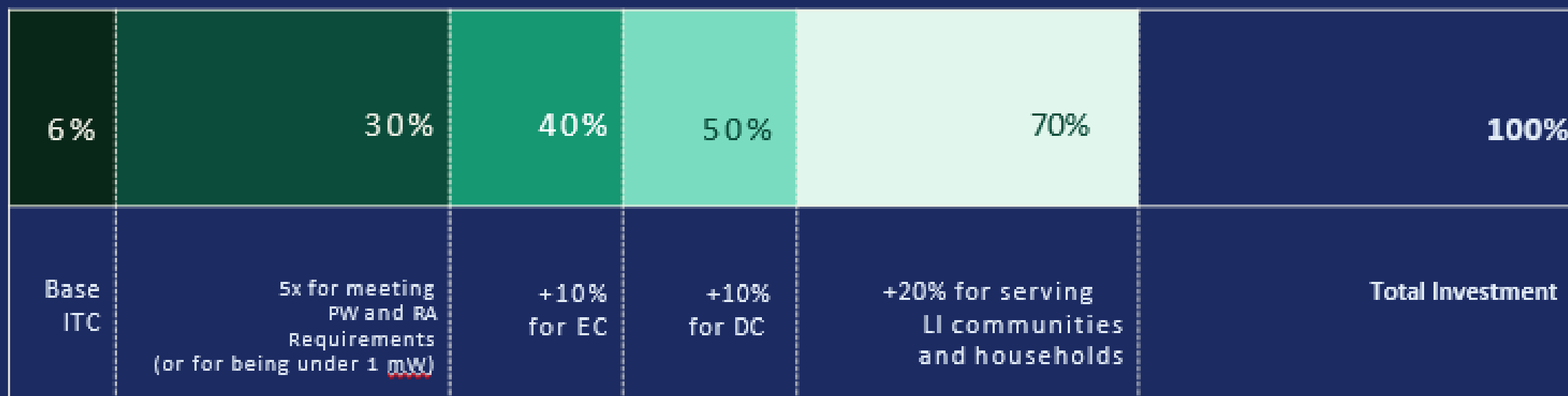
Revolve Investment Tax Credits

- Cover administrative cost and LPO interest
- Replenish revolving loan fund

IRA Tax Credit Stackability

The IRA's bonus credits are stackable for certain base credits. This allows projects to amplify the amount of money they receive back. At the high end, some projects claiming the IRA's Investment Tax Credit for Energy Property could qualify for all five bonus credits and receive 70% of the total investment back in tax credits.*

70% of Total Investment Returned in Tax Credits



Bonus Credits

DC = Domestic Content

EC = Energy Communities

LI = Low Income or Tribal Communities

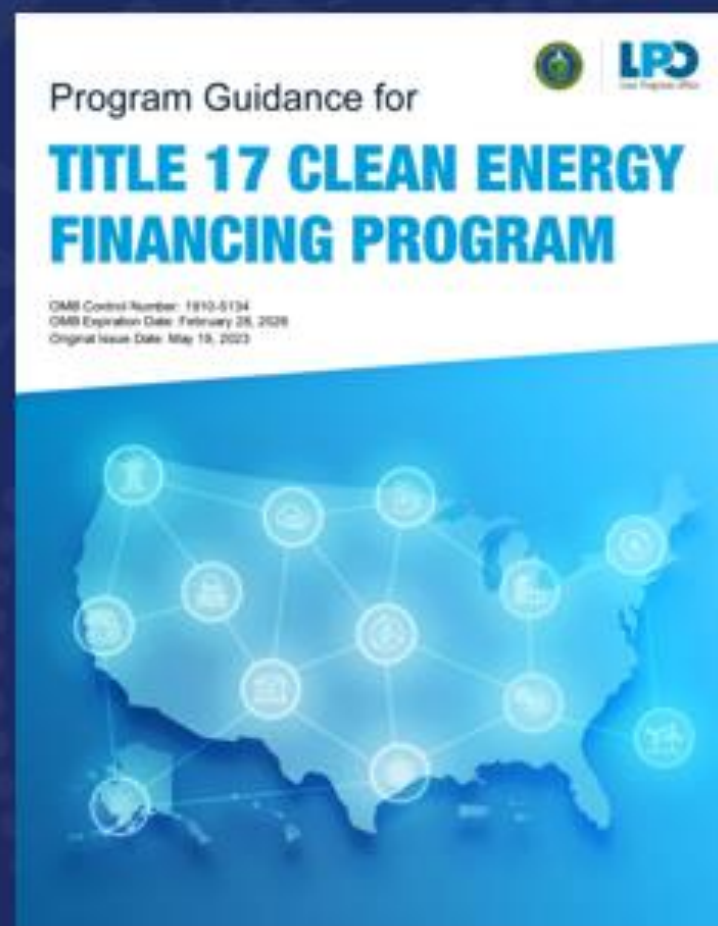
PW = Prevailing Wage

RA = Registered Apprenticeship

*Eligibility depends on the project type and specifics. Most of the IRA's base credits only are not eligible for multiple bonus credits.

State Energy Financing Institution (SEFI)

- U.S. Department of Energy Loan Programs Office
 - Energy Policy Act 2005
 - Provides loans & loan guarantees to projects that demonstrate the decarbonization of U.S. economy, focusing on projects that combine clean energy technology with effective financial models.
- DOE designated PEDA a SEFI in 2023.
- “A SEFI is an entity established by a state, Indian Tribal entity, or Alaska Native Corporation to provide financing support or credit enhancements for eligible clean energy projects and to reduce financial barriers to the deployment of eligible clean energy projects.”



SEFI Benefits & Requirements

Benefits

- Scale up development
- Establish long-term revenue streams
- Lower cost of capital
- Flexibility
- Full value of tax credits

Requirements

- Meaningful financial support
- Fees, closing costs
- Build America, Buy America
- National Environmental Policy Act
- Davis Bacon wage requirement

SEFI Process & Timeline



Philanthropic Investment

- The Heinz Endowments approved \$1.5 million grant to PEDAA
 - Restricted account within the Energy Development Fund
 - Purpose: project subsidies for western Pennsylvania schools
 - Deadline: execute contract by December 13

Motion #1 for Consideration

- *Submission of Part II Application to Loan Programs Office*

The PEDA board of directors authorizes and directs staff to finalize and submit Part II of its application to the U.S. Department of Energy's Loan Programs Office, thereby seeking federal financial assistance through the Title 17 Clean Energy Financing Program for the Solar for Schools Loan Program to be administered by PEDA in its role as a state energy financing institution. The board directs staff to return to the board to request further approvals before accepting and utilizing the federal assistance for the loan program.

Motion #2 for Consideration

- *Acceptance of Grant from the Heinz Endowments*

The PEDDA board of directors authorizes and directs staff to finalize and execute an agreement and take other necessary actions to accept a grant from The Heinz Endowments in the amount of \$1.5 million to support solar energy projects at school districts in low-income, disadvantaged, and rural communities in southwestern Pennsylvania through the Solar for Schools Loan Program.

PFM Financial Advisors, LLC

Contract Time Extension

Motion #3 for Consideration

- *Contract Time Extension for PFM Financial Advisors LLC*

The PEDDA board authorizes and directs staff to extend, at no additional cost, PEDDA's current contract with PFM Financial Advisors LLC (Purchase Order No. 4300795969, dated December 15, 2023) so that PFM can continue to provide strategic consulting services to PEDDA for another six months beginning on January 1, 2025, or until the exhaustion of the original \$120,000 contract amount from the Energy Development Fund as authorized by the board at its meeting on November 13, 2023, whichever comes first.

Proposed Meeting Dates for 2025

- February 25
- May 20
- August 19
- November 18

All meetings held 10AM – 12PM in the Rachel Carson State Office Building Room 105 and virtually via MS Teams

**Additional PEDDA issues for
discussion?**

Open floor for public comment

Adjourn

Next scheduled meeting: February 25, 2024



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Pennsylvania Energy Development Authority

Energy Programs Office

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