

MINUTES OF MEETING
BOARD OF DIRECTORS
PENNSLVANIA ENERGY DEVELOPMENT AUTHORITY

November 30, 2020
1:00 p.m. – 2:30 p.m.
Via WebEx

Board Members/Alternates Present

Hon. Patrick McDonnell, Chairman
Alt. Denise Brinley (for Hon. Dennis M. Davin)
Alt. Cheryl Cook (for Hon. Russell C. Redding)
Alt. Timothy Collins (for Hon. Steve Santarsiero)
Alt. Paul Wentzel (for Hon. Richard Vague)
Alt. Nick Troutman (for Hon. Gene Yaw)
Hon. John Coleman
Tanya McCloskey
Michael Welsh
Romulo L. Diaz, Jr.
Sarah Hetznecker
Bernie Lynch
Virginia Brown
Lauren Boles

DEP Staff

David Althoff, Jr., PEDA Staff, EPO
Libby Dodson, PEDA Staff, EPO
Allen Landis, Executive Director, PEDA
Darek Jagiela, Communications, PA DEP
Sarah Pinter, PA DEP Policy Office

Public Attendees

None

CALL TO ORDER AND APPROVAL OF MINUTES

The meeting was called to order at 1:00 p.m. by Chairperson Patrick McDonnell, Secretary of Department of Environmental Protection. David Althoff conducted roll call at the beginning of the meeting and a quorum established. The Board considered its first item of business – the August 4, 2020, PEDA Board meeting minutes.

Paul Wentzel moved to adopt the August 4, 2020 meeting minutes.
John Coleman seconded the motion, which was unanimously approved by the Board.

APPOINTMENT OF THE PEDA EXECUTIVE DIRECTOR

Chairperson Patrick McDonnell motioned to approve Allen Landis as the PEDA Executive Director.

Romy Diaz moved to adopt the motion.

Paul Wentzel seconded the motion, which was unanimously approved by the Board.

FINANCIAL REPORT

Allen Landis provided an update of the financial status of the two funds from which PEDA utilized funding since the last board meeting:

Growing Greener (GG): \$50M

- Expenditures: \$48,283,960
- Commitments: \$0
- Available balance: \$1,716,040 (for Restart Grants)

Energy Development Fund (PEDA): \$3,535,894

- Legislative Withdrawal to Balance State Budget: \$1,000,000
- Administrative Expenditures: \$981
- Commitments: \$499,913 (for 2014 PEDA Project Hydro Green and does not include \$2.5M conditionally authorized for award to Treasury for Green Bank)
- Available Balance: \$2,035,000

No motion was required as this is an update to the financial report which was approved on the August 4, 2020 PEDA Board Meeting.

PUBLIC COMMENT

Chairman McDonnell reported there were no public comments registered.

Allen Landis confirmed there were none.

RESTART GRANT SOLICITATION

Chairman McDonnell stated as an outcome of the last PEDA Board meeting, the Department put out a Restart Grant solicitation that offered funding up to \$250,000 for energy projects that have been impacted by COVID-19. Allen Landis provided an overview of the solicitation, the projects received, and projects recommended for funding.

Recommended Projects for PEDA Board Vote:

Solar Projects

Phoenix Contact Solar Project

Erie Central Fire Station Solar Project

Kerider Property Improvements Roof Mount Solar Project

K.C. Mechanical Service Inc. Roof Mount Solar Project

Solar and Energy Efficiency Project

Phipps Conservatory and Botanical Gardens – Alternative and Net-Positive Energy Project

Energy Efficiency Projects

Palmerton Area School District

Town Real Estate: Omega and Southpointe Renovation Restart

Port Allegheny School District

EV Charger Project

City of Pittsburgh: Level 2 Chargers
High Performance Building Projects
63 Fraley Street, LLC: Kane Passive House
Highlights Foundation: Boyds Mills Net Positive

Chairman McDonnell opened the floor for questions.

Nick Troutman inquired about the geographical breakdown of urban and rural projects, including the projects not selected. Allen Landis responded that there was a blend of applicants and recommended projects geographically. Some of the projects were in Carbon, McKean, Wayne, Northampton and Lancaster counties that spanned both urban and rural areas. Bernie Lynch followed up with a recommendation to list the projects by location, including the amounts of investment by region to demonstrate fairness and diversity of the funding. Allen Landis agreed to do so in future presentations and further noted that while the Department did not factor location into the scoring criteria, points were added for projects in environmental justice areas.

Romulo Diaz asked for clarification on the Restart Grant source of funding. Allen Landis and Dave Althoff confirmed that it was from the available balance of \$1.7M Growing Greener funds.

Sarah Hetznecker asked for more details about Palmerton Area School District Project windows project, the COVID-19 impacts and whether the windows will open for ventilation. David Althoff responded that the application did not include details regarding that specifically. The School Board initially approved the project, but it was halted due to COVID-19. There could be project design changes going forward to increase ventilation now that there is more understanding of the relationship between COVID-19 and ventilation.

Bernie Lynch asked whether PEDA will be able to recover any funds in the next fiscal year from past projects, and expressed some concern about the Growing Greener fund going negative. David Althoff replied that the Growing Greener funds are on a time clock, as they are legislatively required to expire in June 2021. Therefore, if the funds are not used for the Restart grants by that time, they will be returned to the Legislature.

Laureen Boles asked what portion of the projects are in environmental justice areas. Allen Landis replied that the exact percentages are not readily available but confirmed that there was a number of them that were in environmental justice areas and will provide Laureen with the percentages.

Allen Landis then outlined the next steps for the grant process. With no further questions, Chairman McDonnell asked for a motion to approve the recommended projects.

Romy Diaz motioned to approve the projects. Sarah Hetznecker seconded the motion, and the motion passed.

GREEN BANK UPDATE

Chairman McDonnell asked Allen Landis to provide an update on the \$2.5M grant award to the Treasury Department in order to create a Green Bank partnership.

Allen Landis provided a recap to the Board, including details of progress made on the partnership since the last Board meeting. Allen Landis explained to the Board that in September, the Treasury Department's Investment committee voted to invest \$10 million into the Green Bank partnership based on the Board's \$2.5 million grant award.

Following that, PA DEP and Treasury were working to finalize the grant agreement between the Board and Treasury, the memorandum of understanding that would govern the partnership, and the request for proposals that would seek third party administrators to operate the partnership.

In November, the current Treasurer was not reelected. Following that, PA DEP and Treasury agreed to wait for the treasurer-elect's view on this opportunity and partnership before moving the effort any further.

At the end of November, the legislature removed \$1 million from the Energy Development fund, limiting how much the Board can commit to the partnership.

Looking forward, Allen Landis explained that the next steps are to determine if the Treasurer-elect is interested in pursuing the partnership. Specifically, PEDAs, working with DEP and Treasury, will need to determine how a decreased grant award from PEDAs impacts the investment Treasury can make and therefore the overall size and scope of the green bank's initial activities.

Chairman McDonnell opened the floor for questions and there were none.

OTHER BUSINESS

Chairman McDonnell asked for any new updates from Allen Landis. Allen Landis reported that the Energy Development Plan has been finalized and is posted on the PEDAs website, along with the Comment and Response document. The PEDAs Annual Report will soon be finalized and sent to the legislature and posted on the PEDAs website as well.

Chairman McDonnell asked if there is any other business for the Board.

Bernie Lynch inquired if there will be any additional considerations about the Green Bank effort, especially considering the new Treasurer and new administration at the federal level. Allen Landis responded that the Green Bank will best position PEDAs to take advantage of new opportunities at the state and federal level. Chairman McDonnell commented that the proposed structure of the Green Bank will allow PEDAs to seek federal funds if more are to become widely available through the new administration. Romulo Diaz added that having a Green Bank in place is critical in demonstrating there is proof of concept, should funds become available, PEDAs can take advantage of them rather than waiting.

Bernie Lynch asked if there is anything PEDAs could have done differently, or if there are actions PEDAs can now take, concerning the \$1 million in funds taken by the Legislature. Chairman McDonnell responded that the best course of action at this point is to take action to ensure the funds are spent in a productive and efficient manner. Romulo Diaz added that by taking time to

make sure the right governance steps were in place before the money was awarded unconditionally to Treasury put PEDA in the best place possible from a fiduciary perspective.

MEETING ADJOURNED

Hearing no other questions or business to bring before the Board, Chairman McDonnell asked for a motion to adjourn the meeting. There was a motion to adjourn, it was seconded, and then approved. The meeting adjourned at 2:11 p.m.