

Pennsylvania Energy Development Authority

Board of Directors Meeting
March 11, 2025

JOSH SHAPIRO, GOVERNOR | JESSICA SHIRLEY, ACTING SECRETARY



Pennsylvania
Department of
Environmental Protection



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Agenda

- I. Welcome/Roll Call
- II. Approval of Minutes
- III. Election of Officers
- IV. Financial Update
- V. Energy Accelerator Program – Year One Review
- VI. 2025 Energy Development Plan Revisions
- VII. New Business
 - A. Grant Application to Green Bank for Rural America
 - B. Strategic Lending Partnership with Philadelphia Green Capital Corp.
 - C. Grant Request from Capital Good Fund
 - D. Statements of Financial Interest from Board Members and Designees
- 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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Election of Officers

- Board Treasurer
- Board Secretary



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2024-25 PEDA Budget Overview

Available 24-25 PEDA Funds	\$2,314,195
Planned Admin Expenditures	- \$76,671
Admin Paid	- \$60,609
PFM Payments	- \$6,005
Remaining PFM Contract	- \$56,210
Remaining NEIF Contract (PEDA)	- \$38,250
EAP KEEP Fund	- <u>\$500,000</u>
Net Balance:	\$1,576,450

*Through January 31, 2025

Energy Accelerator Program - Year One Review

- Overview – PFM
- KEEP Home Energy Loan – Alayna Schmeider
- MORE Grant & Loan – Alayna Schmeider
- Solar for All – Greg Smith



PEDA Energy Accelerator Program

2024 Year End Update
2025 Next Steps

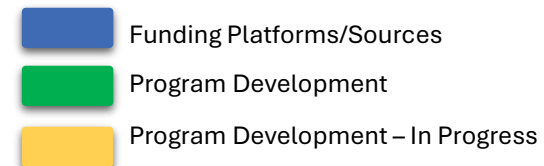
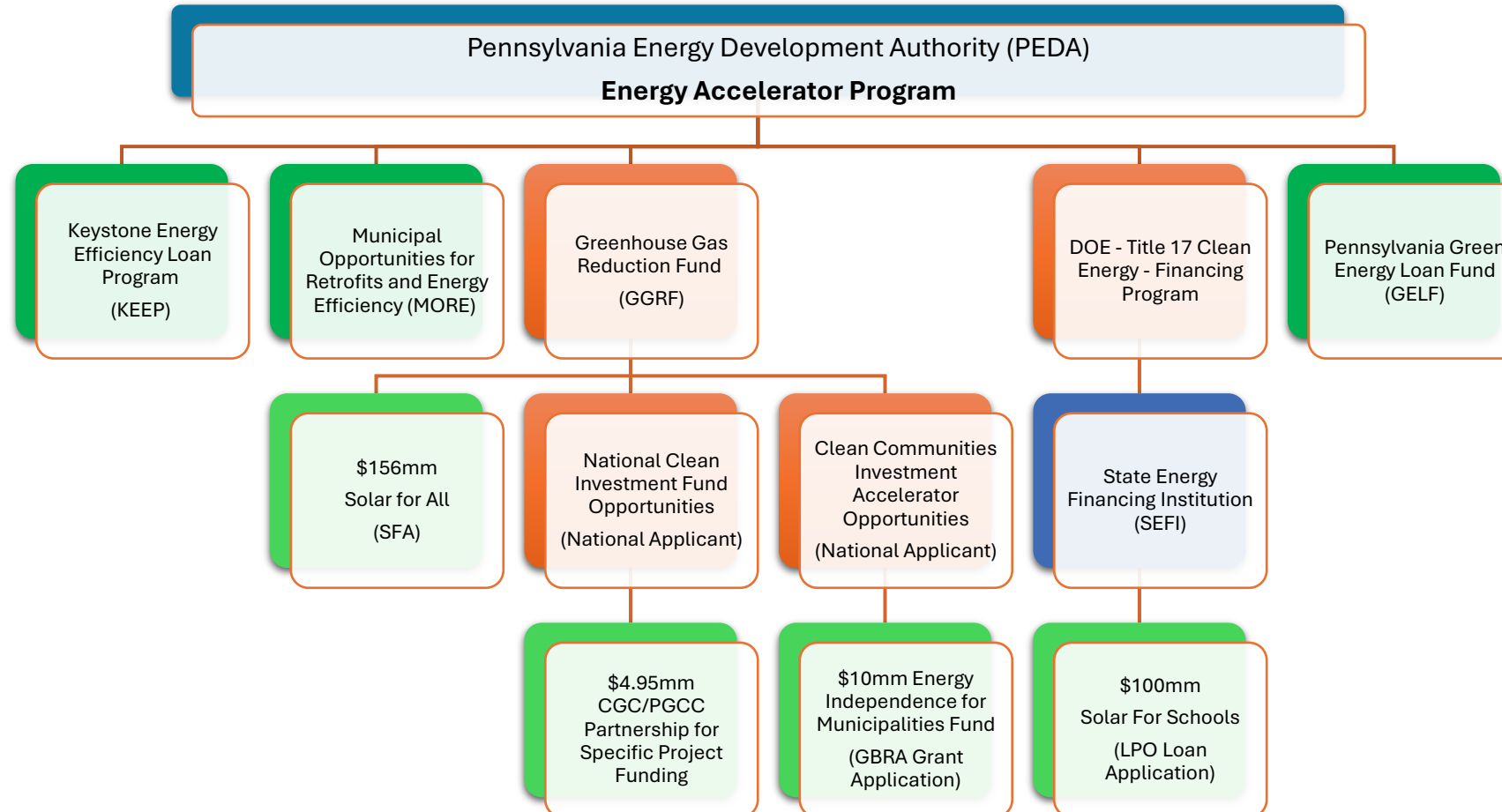
PEDA Board Meeting

March 4, 2025

Agenda

Energy Accelerator Program (EAP)

- ◆ 2024 Year End Update
- ◆ 2025 Next Steps

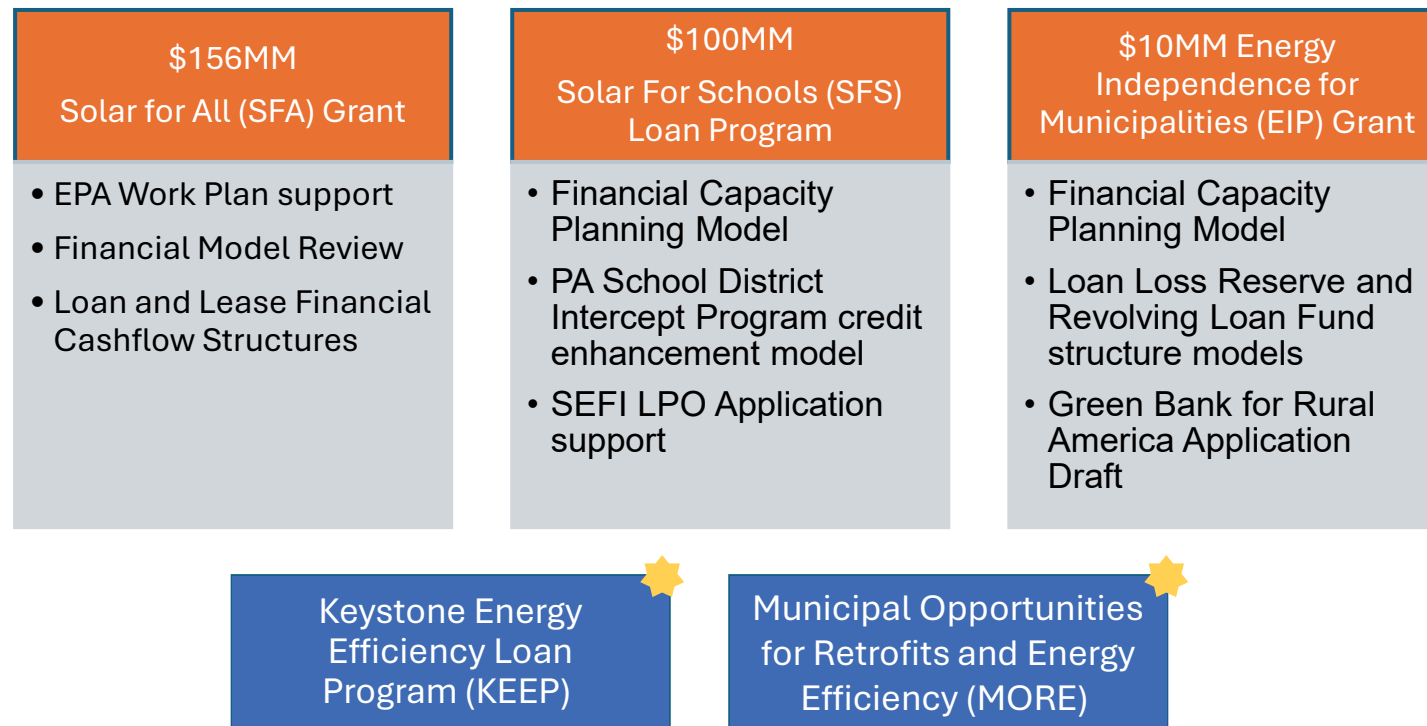


2024 Year End Update – Milestone Summary

Business Model Execution and Support for Energy Accelerator Program “One-Stop-Shop”

- Developed an Energy Accelerator Program operating budget model template
- Exploration and Due Diligence around systems framework
- Board Reporting Framework Support

Specific Program Development and Support



** Detailed report to follow.*

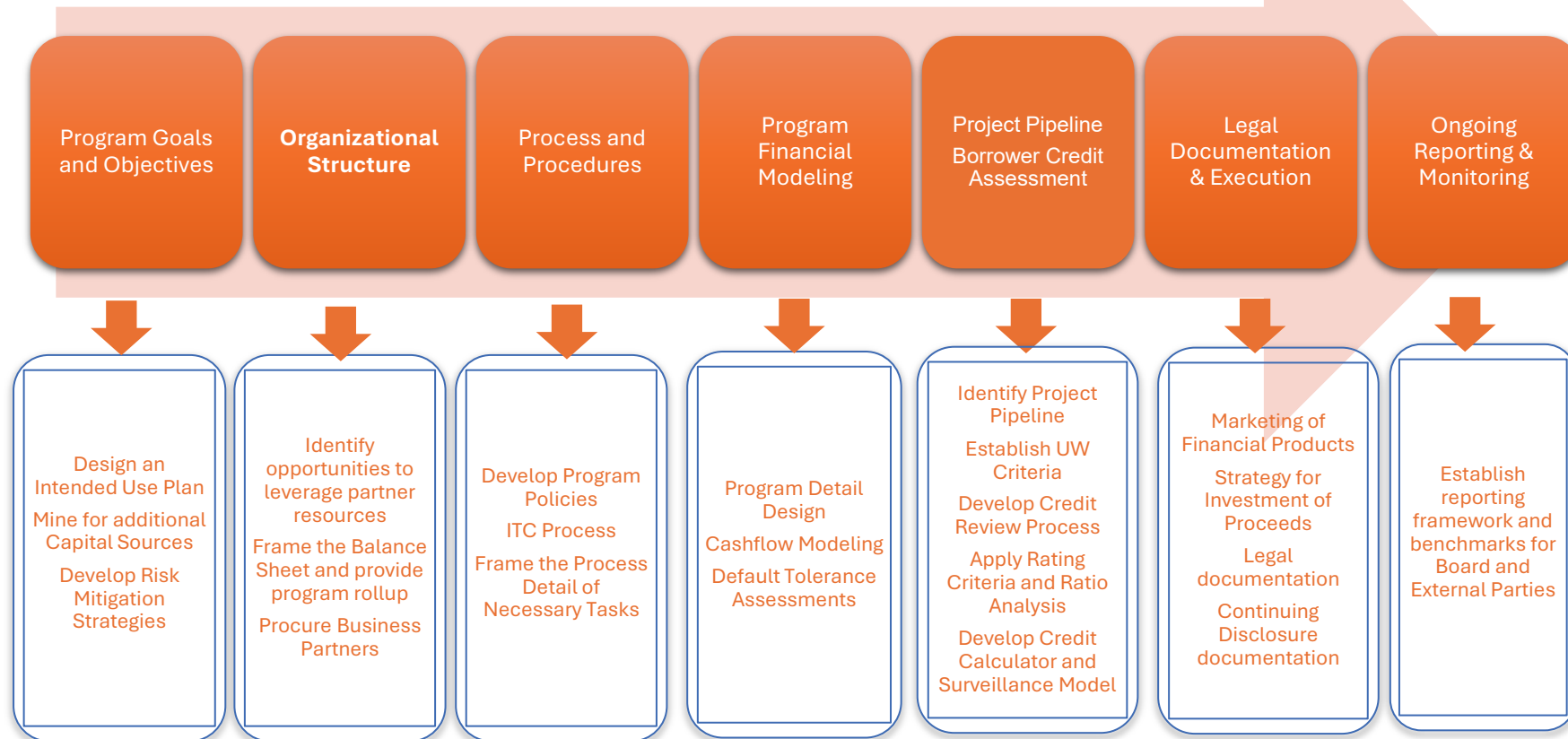
2024 – EAP Year End Summary

- Programs designed to reach a broad group of participants with a portfolio of different financial products
- Program grid identifies opportunities for EAP to streamline and create efficiencies of scale

		Target Participants					Financial Products				Source of Funding / Support									
		Single Family Homes					Multi Family Homes				Schools									
		Municipalities					Commercial and Industrial Businesses				Grant									
		Loan					Lease				Guarantee -									
		Credit Enhancement					EPA Grant - SFA Grant (\$156m)				EPA GB for Rural America Grant (CCIA \$10M)									
		Coalition for Green Capital/PGCC					DOE Grant				DOE SEFI Loan (\$100M)									
		State PA Appropriation					Energy Development Fund				State PA Credit Enhancement									
		ITC					Philanthropy				Other Sources?									
PROGRAM																				
											EPA Funding				DOE Funding		State Funding			other
PEDA Energy Accelerator Program (EAP)	In Progress	MORE				X	X	X							X					
		KEEP	X					X					X				X			
		GELF		X	X	X	X	X						X						
	In Design	Solar For All	X	X				X	X	X			X						X	
		Solar For Schools				X			X					X				X	X	X
		EIM				X			X				X	X					X	

Recommendations to EAP for Further Program Development

- Further Development of Overarching EAP Operating “One-Stop-Shop” Framework and Systems Infrastructure
- Specific Program Framework Development and Design Process and Project Flow



Thank you!





PFM PEDA Team

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KEEP Home Energy Loan

2024 Totals

Applications: 207

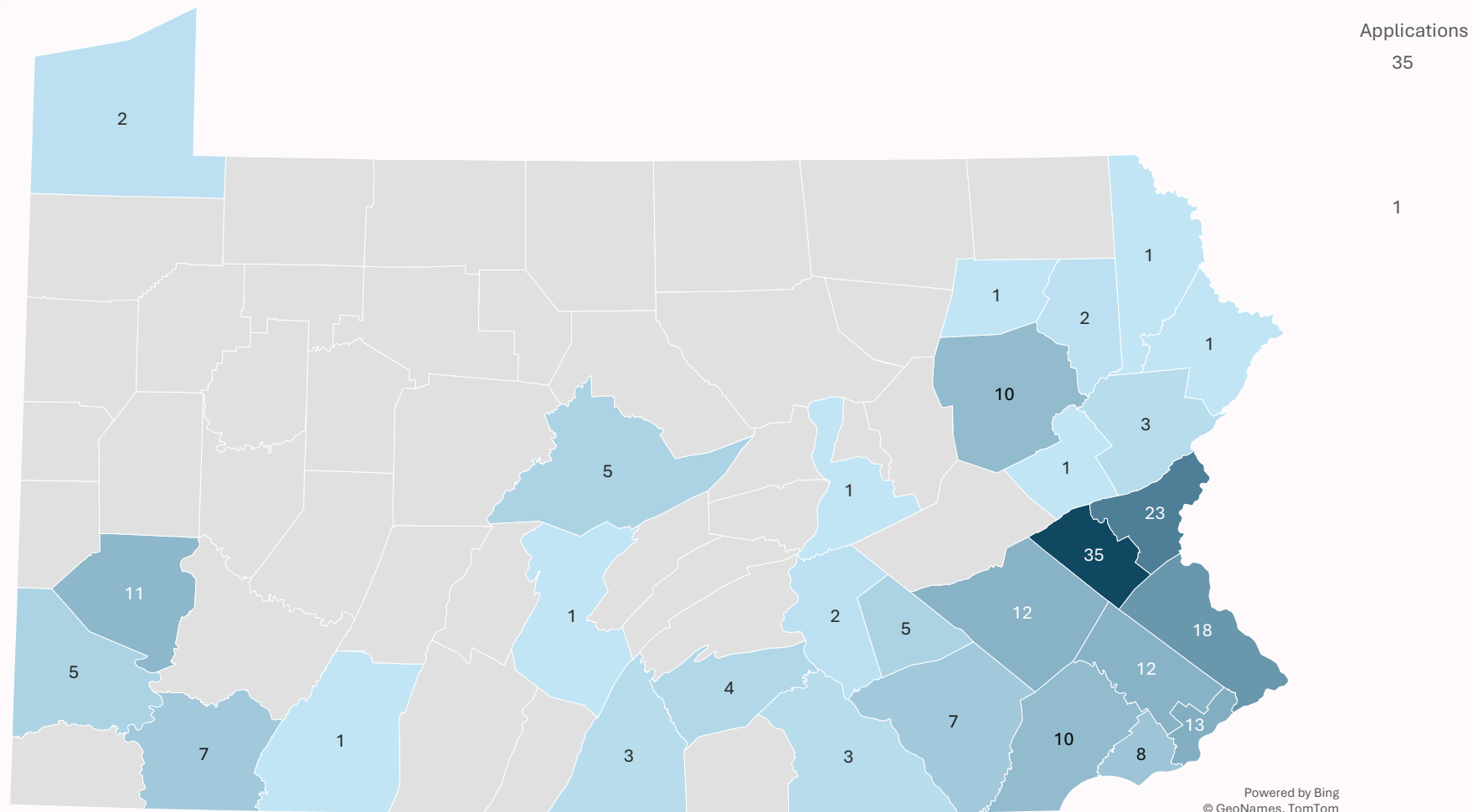
Approval percentage: 71.98%

Funded projects: \$1,161,286

Approved contractors: 254



KEEP Loan Applications





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MORE Program

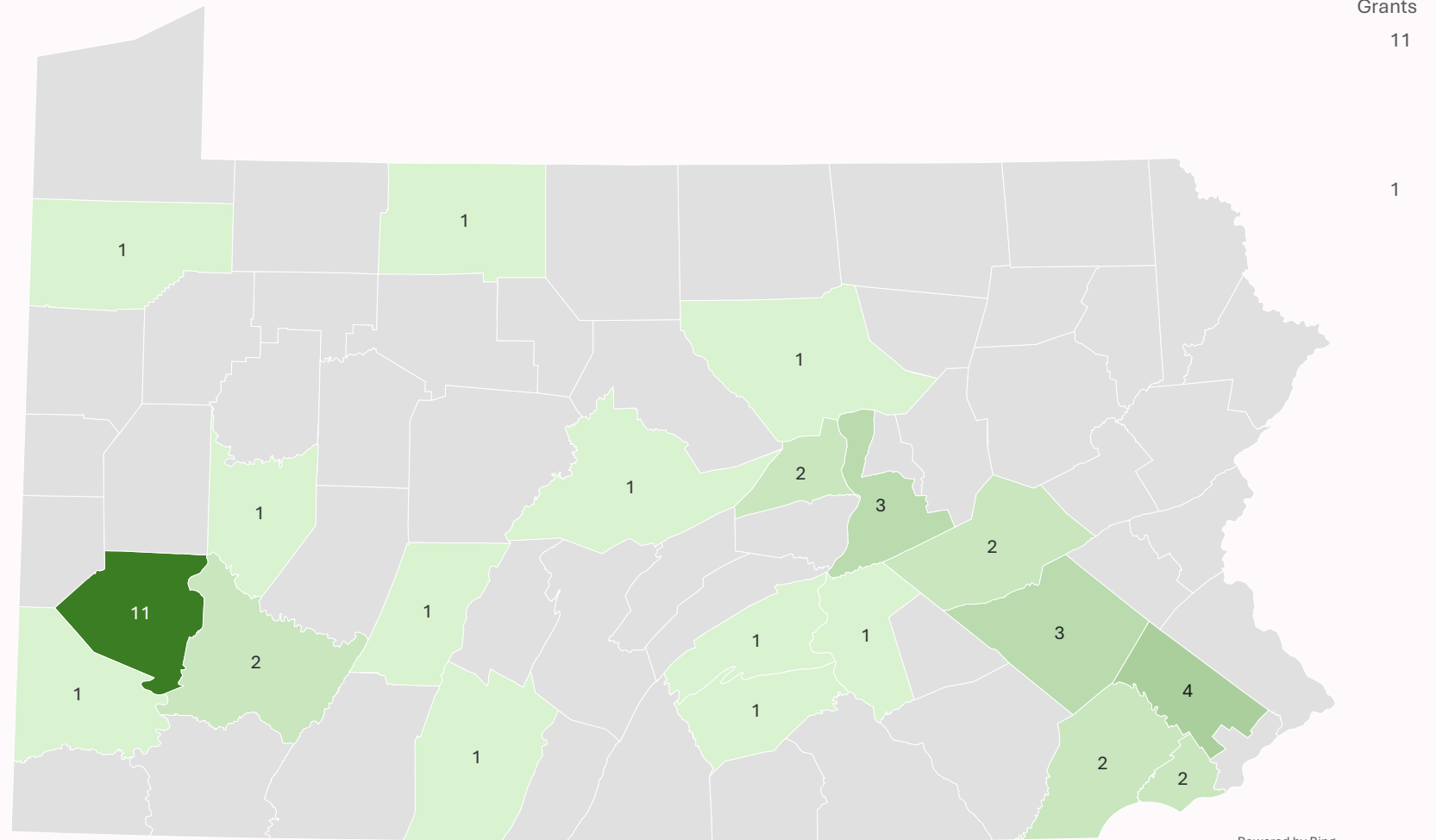
- MORE Grant application was open from June 3 to December 6, 2024
- Grants for level 2 energy audits, Energy Conservation Measure project design, and interest rate buydown on a MORE Loan
- Awarded \$1,977,525 to 42 local governments
 - Approx. 43% grants awarded were priority communities
- Adjusted budget to accommodate all eligible applicants
- MORE Loan opened December 27, 2024 – no applications yet



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MORE Grant Awards

MORE Grant Distribution



MORE Grant Awards by County

Allegheny: Richland Township, Borough of Wilkinsburg, Mount Oliver Borough, Borough of Braddock, Churchill Borough, Borough of Etna, Oakmont Borough, City of Duquesne, Borough of Crafton, Monroeville Municipality, City of McKeesport

Armstrong: Ford City Borough

Bedford: Southampton Township

Berks: Borough of St. Lawrence, West Reading Borough, Boyertown Borough

Cambria: Windber Area Authority

Centre: Patton Township

Chester: Borough of Phoenixville, Borough of Oxford

Crawford: City of Meadville

Cumberland: Camp Hill Borough

Dauphin: Borough of Steelton

Delaware: Radnor Township, City of Chester

Lycoming: City of Williamsport

McKean: Mount Jewett Borough

Montgomery: Ambler Borough, Upper Dublin Township, Upper Moreland-Hatboro Joint Sewer Authority, Springfield Township

Northumberland: Borough of Kulpmont, City of Shamokin, Kulpmont-Marion Heights JMA

Perry: Newport Borough

Schuylkill: Borough of Schuylkill Haven, Borough of Cressona

Union: Union County Commissioners, Borough of Lewisburg

Washington: Monongahela City

Westmoreland: City of New Kensington, Arnold City

PEDA Energy Development Plan Revision Process

- Plan revision at least once every five years
- Current plan version is from 2020
- Revision process initiated in 2024
- Current plan distributed to Board (1st meeting of 2024)
- PEDA ED to propose revisions to the Board (3rd meeting of 2024)
- Issue draft for public comment (Spring 2025)
- Finalize EDP after considering public comment (May 2025)
- Board approval of final EDP (May 2025)



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2025 Draft Energy Development Plan

- Introduction
- PEDAs Role & Mission
- Opportunities for Innovation
- Policy Objectives & Guiding Principles
- Energy Accelerator Program
- Funding Resources
- Program/Project Evaluation Criteria



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PEDA's New Logo



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2025 Draft Energy Development Plan

- Introduction – **New section - Identifies energy challenges**
- PEDAs Role & Mission
- Opportunities for Innovation
- Policy Objectives & Guiding Principles
- Energy Accelerator Program
- Funding Resources
- Program/Project Evaluation Criteria



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2025 Draft Energy Development Plan

- Introduction
- PEDA's Role & Mission – **New/modified section - Articulates PEDA's role, modifies the mission**
- Opportunities for Innovation
- Policy Objectives & Guiding Principles
- Energy Accelerator Program
- Funding Resources
- Program/Project Evaluation Criteria



2025 Draft Energy Development Plan

PEDA's Mission – Proposed Revision

The Authority's mission is to expand opportunities for innovation in the development of Pennsylvania's clean, diverse, indigenous energy resources, and thereby to make contributions to energy conservation, energy efficiency, resiliency, and economic development. The Authority's programs will help mitigate the impacts of climate change through the reduction of greenhouse gas emissions, improve public health, protect the environment, ensure greater energy reliability, and strengthen economic development and job creation in Pennsylvania. The Authority is committed to implementing its programs and investing its resources equitably across the Commonwealth.



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2025 Draft Energy Development Plan

- Introduction
- PEDAs Role & Mission
- Opportunities for Innovation – **New section - Identifies energy technologies and approaches for potential PEDA support**
- Policy Objectives & Guiding Principles
- Energy Accelerator Program
- Funding Resources
- Program/Project Evaluation Criteria



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2025 Draft Energy Development Plan

- Introduction
- PEDAs Role & Mission
- Opportunities for Innovation
- Policy Objectives & Guiding Principles – **Modified section - Adds discussion on energy reliability**
- Energy Accelerator Program
- Funding Resources
- Program/Project Evaluation Criteria



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2025 Draft Energy Development Plan

- Introduction
- PEDAs Role & Mission
- Opportunities for Innovation
- Policy Objectives & Guiding Principles
- Energy Accelerator Program – No significant changes
- Funding Resources – No significant changes
- Program/Project Evaluation Criteria – No significant changes



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New Business

Grant Application to Green Bank for Rural America

New Business

Grant Application to Green Bank for Rural America

Proposed motion:

The PEDA board authorizes and directs staff to finalize and submit its application to the Green Bank for Rural America (GBRA), seeking capitalization and technical assistance grants totaling \$11 million for a new Energy Independence for Municipalities (EIM) revolving loan program. The grant application shall explain that, if supported by GBRA, the EIM program would fund projects that improve energy resilience and reduce energy costs for municipalities and municipal authorities in rural and low-income areas across Pennsylvania.



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New Business

Strategic Lending Partnership with Philadelphia Green Capital Corp.



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New Business

Strategic Lending Partnership with Philadelphia Green Capital Corp.

Proposed motion:

The PEDA board of directors authorizes and directs staff to: (1) execute an agreement between PEDA and Philadelphia Green Capital Corp. (PGCC), through which PEDA staff would identify projects to be funded by PGCC's National Clean Investment Fund loan from the Coalition for Green Capital (CGC); (2) identify funding under the PEDA-PGCC agreement those program-eligible projects that reflect the priorities of the board as expressed in the Energy Development Plan; and (3) execute any other agreements needed to facilitate the confidential sharing of information and documents between PEDA, PGCC, and CGC, consistent with the Pennsylvania Right-to-Know Law.



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New Business

Grant Request from Capital Good Fund



**Pennsylvania BRIGHT
PEDA 2025**

Who We Are

- Founded in 2009, 501(c)(3) Treasury-certified Community Development Financial Institution (CDFI).
- Since inception, we've deployed over \$53M across 16,035 low-interest, consumer loans with an average size of \$3,080.
- Serve 11 States, including PA & are a GGRF Solar For All Lead Awardee in GA.
- Unique lending, leasing, and financial coaching model.
- 124 Solar Leases closed to-date.



Mission: Create pathways out of poverty & advance a green economy through inclusive financial services.

What We Offer: Low-Cost Financial Products & Services

Consumer Loans

Targeting underbanked, capital excluded borrowers; affordable, fixed rate consumer loans of \$300 - \$50,000 for energy efficiency, rent, affordable housing costs, utilities, car repair, security deposit, etc.

Financial Coaching

Individualized 1:1 Coaching covering banking, budgeting, credit, debt and savings. Through 12 monthly payments of either \$5 or \$15, clients build credit history, leading to an average 75-point increase in FICO scores.

Solar Leases & Power Purchase Agreements (PPAs)

Solar lease or PPA for low-income homeowners, nonprofits, houses of worship, & community facilities.
Good Fund owns the solar and/or storage system, sells power to the customers, & claims federal tax credits via "Direct Pay".

Unlocking PA's Potential: Barriers to Access & Affordability

Key Challenges-

Rising Demand & Supply Constraints: PJM projects 2.4% annual load growth through 2034. Distributed solar & storage is the fastest-to-deploy source of new electricity supply and a phenomenal complement to utility-scale energy.

Slow Solar Adoption: PA ranks 21st nationally in total installed solar capacity

Economic Burden: Currently, Pittsburgh households spend 16% of their total income, & 25% of low-income Philadelphia residents spend over 19% of their income on energy bills.

2025 Rising Residential Bills: Residential customers can expect a 10-20% increase in their electricity bills by June 2025.

Neighboring States Outpace PA: PA has only 61,000 solar installations

- New York-189,000 installations and New Jersey-178,000 installations

PA BRIGHT: Customer-Centered Model

2024 Market Expansion

- Only nonprofit residential lessor in Pennsylvania; if not the country.
- Expanded to PA due to viable LMI residential market & need for a nonprofit model.

Nonprofit Lessor Model

- Direct Pay is most cost-efficient tax credit monetization strategy.
 - Day-one & long-term savings for homeowners.
 - As a CDFI, we leverage & blend low-cost capital, philanthropic, & govt funds to maximize customer savings.

Who It's For

- Homeowners earning under \$150k annually and/or residents of Low-Income, Disadvantaged Communities (LIDAC).
 - **Average household income of BRIGHT customers is \$77,000**
 - 60% of PA BRIGHT customers are retirees.
- **Southwest PA (10 counties):** Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, and Westmoreland.
- **Southeast PA (5 counties):** Philadelphia, Bucks, Chester, Delaware and Montgomery.

Rural Adoption

- Only TPO provider offering ground-mount systems, which are crucial for rural families & homes.

2025 Brownsville Customer

Approved for Panels & Batteries

Average Monthly Utility Bill: \$328.74

New Estimated Monthly Bill: \$7.79

Homeowner Highlights

Person Centered Structure

- **25-year lease term** with **buyout options** starting in **year 7**
- **Fixed annual escalator: 1.00%** (*compared to PA's avg. 3%+ energy cost increase*)

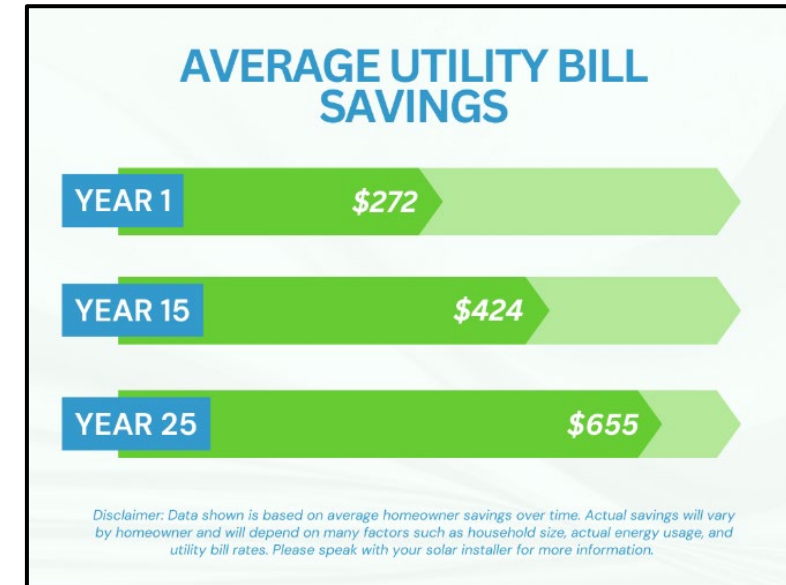
Adoption Barrier Removal

PA BRIGHT Owns, operates, and manages the system

- **In-house underwriting, originating, and lease-servicing**
 - Easily understood terms and conditions; no hidden fees
 - **Non-traditional underwriting criteria, with no FICO score requirements**
 - Flexible repayment options, and 1:1 support to adjust terms as needed.
- Upon home sale, can **transfer the lease** to new owner; without new underwriting.

Strong consumer protections including;

- 90% in the first year and 80% thereafter production guarantee
- Battery replacement between 10-25 years
- PA BRIGHT Customer Bill of Rights



Cost Savings Estimates

Solar-only projects: Month-1 savings of **\$5 - \$45** | **Solar + battery projects:** Could result in a **“bill swap”**.

PA BRIGHT: Program & Expansion Goals

Program Expansion

- Pilot will support up to **150 PA homeowners**
 - **100 in Southwest, 50 in Southeast**
 - Anticipated to save homeowners \$41,000 Year-1 & \$2M over 25 years. over 25 years.

Battery Storage Adoption

- **22%** of current participants have additional battery storage
 - Goal to have **30% adoption rate across both territories.**

Small Business & Economic Development Support

- BRIGHT's nonprofit model drives Economic Growth & Boosts local small businesses and PA job creation by enabling EPCs to generate leads, sales, and profits
 - **9 Solar Installers with the goal to ultimately enroll 12 EPCs in the program.**

New PA Counties

- Inquiries from **46% of PA counties**: PEDA funds will directly support programmatic expansion outside original 15-market target counties.

Millvale homeowner. "My home was built in 1886, and solar is an investment in the longevity of my house and my neighborhood."

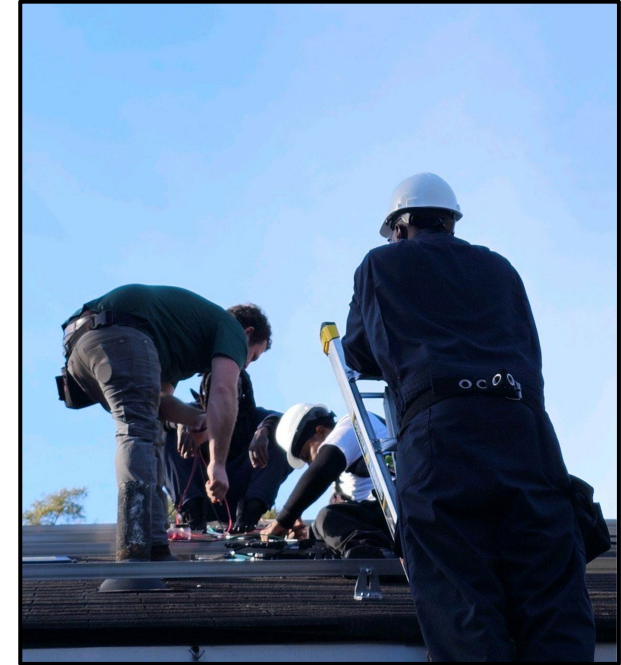
Residential Research-Trends & Analysis

Participant Demographic Analysis: Collect and share anonymized customer data, including age, zip code, income level, and retirement/employment status, to identify trends and ensure access to solar financing.

System Size and Installation Trends: Examine battery/installation sizes, and type of installation (e.g., rooftop, ground-mounted), to understand preferences and energy needs—Rural vs. Larger City adoption.

Financial Impact Assessment: Assess anticipated vs. actual savings from solar installations; comparing projected energy cost reductions across location, demographics and system sizes.

Geographic and Socioeconomic Insights: Comparatively assess zip code with income levels to understand how solar adoption aligns with economic and regional trends to inform future outreach and financing strategies.



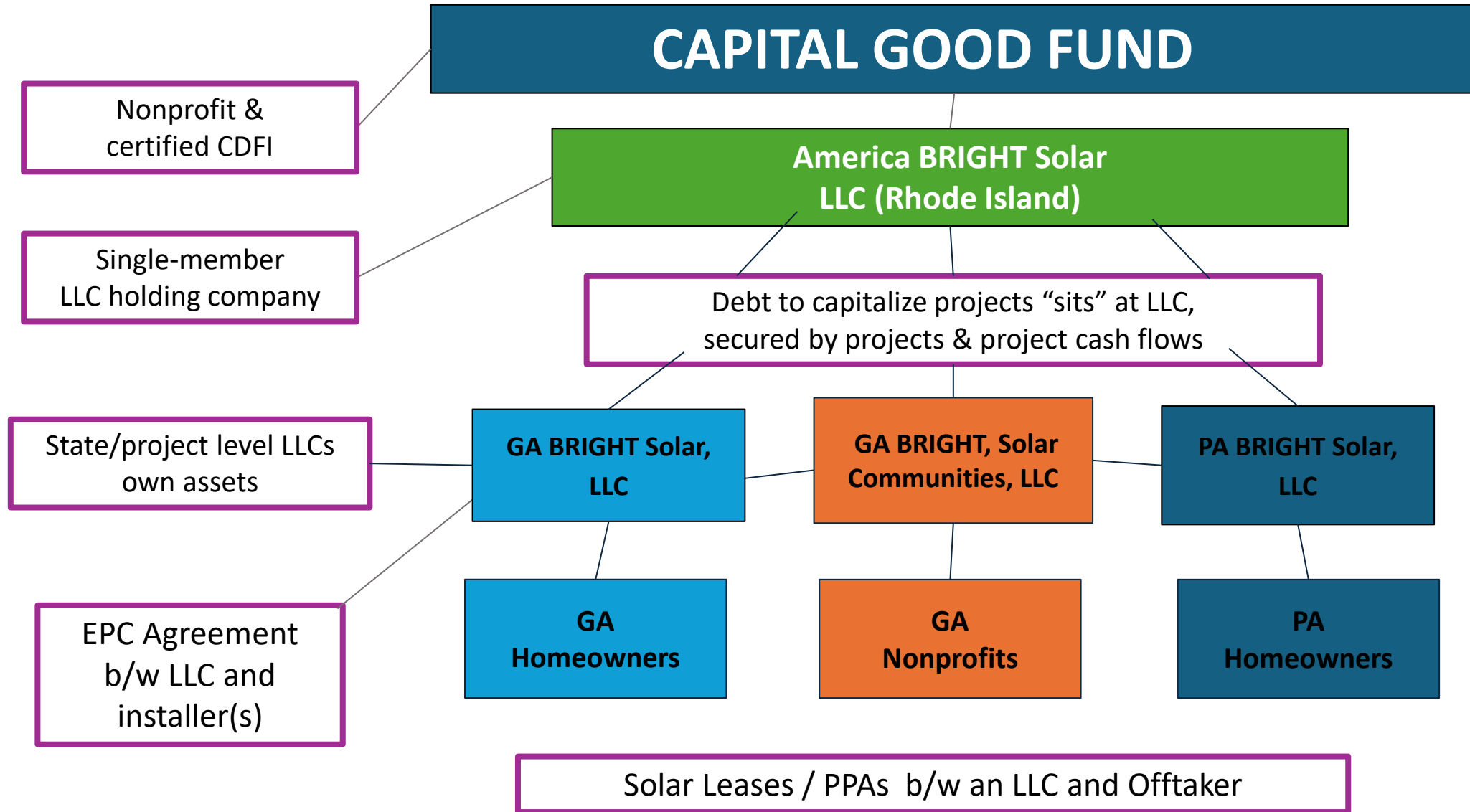
PA BRIGHT - Budget & Impact

Grant Funds	Amount	Status
Heinz + Hillman Foundations	\$314,000	Received
Leon Lowenstein Foundation	\$225,000	Received
Total	\$539,000	
Debt Capital	Amount	Status
Heinz + Hillman Foundations	\$686,000	Received
Pittsburgh Foundation	\$150,000	Committed
BQuest Foundation	\$500,000	Received
TBD Sr. Capital Provider	\$3,250,000	In Diligence; PEDAs funds will de-risk and lower rate on debt by 100 basis points. Savings are then passed directly to PA consumers.
	\$4,986,000	
PEDA Funds	Amount	Use
Market Expansion/Outreach	\$75,000	New Installer Recruitment, In-Person Outreach across PA, Targeted Media
Lease Execution	\$25,000	% of current Underwriting & Lease Servicing Positions
Funds for construction	\$400,000	Direct construction of solar + storage systems; allows for the raising competitive senior debt without increasing the cost of capital = ~10% lower starting lease price
Total	\$500,000	

Questions & Answers



APPENDIX A: BRIGHT ENTITY STRUCTURE





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New Business

Grant Request from Capital Good Fund

Proposed motion:

The PEDa board approves the request from Capital Good Fund (CGF) for a grant of up to \$500,000 from the Energy Development Fund to expand the Pennsylvania BRIGHT solar leasing program to low-to-moderate income families beyond CGF's current fifteen-county service area to other parts of the state, as well as to provide data and information with regard to solar adopters in Pennsylvania. This grant is contingent on PEDa staff seeking and obtaining approval from the Department of Environmental Protection to award the grant through the non-solicitation award process.



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New Business

Statements of Financial Interest



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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: May 20, 2025



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Pennsylvania Energy Development Authority

Energy Programs Office

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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).