

**MINUTES OF MEETING**

**BOARD OF DIRECTORS**

**PENNSYLVANIA ENERGY DEVELOPMENT AUTHORITY**

**October 15, 2007**

**Board Members Present:**

Hon. Kathleen McGinty, Chair  
Mr. Ray Bologna  
Ms. Virginia L. Brown  
Hon. Thomas Creighton  
Ms. Destiny Zeiders (for Hon. Peter J. Daly II)  
Mr. Romulo Diaz, Jr. (by phone)  
Hon. Edwin Erickson  
Mr. Frank Sparrow (for Hon. Wendell F. Holland)  
Hon. Steven Kaplan  
Ms. Tanya McCloskey  
Ms. Cheryl Cook (for Hon. Dennis C. Wolff)  
Hon. John N. Wozniak  
Hon. Dennis Yablonsky

**DEP Staff:**

Jeanne Dworetzky, Executive Director  
Deputy Secretary Joseph Powers  
William Shakely  
Karl Lasher  
Libby Dodson  
Jeffrey Painter  
Glenn Stephens  
Angela Rothrock  
Gina Wiskemann

**Public Attendees:**

Patrick O'Neill  
Steve Drizos  
Michael McCaskey  
Pamela Frank  
Tim McDonald  
Kertie Wells  
Tom Conroy  
Jack Edwards  
John Nikoloff  
Stephen Connolly  
Gary Sheehan  
Paul Reimel  
Jenifer Speck

Stephen E. Laslo  
David Venhresga  
Ron Jenkins  
David Riley  
Dom A. Vicarri  
Maurice Waltz  
Tim LaSalle  
Christine Ziegler  
Lonny Armbruster  
Kim Rubin  
Doug Galbraith  
Judith Galbraith  
John Raymond  
Jeff Cadman  
Richard Piacentini  
Greg DuFour  
Bruce Tetkoskie  
Chris Chang  
Patricia McBee  
Vincent Meller  
Bryan Cotner  
Don Cotner  
Jack Perez  
Keith Li  
Josh Skopp  
Patrick McDonald  
Gary Kleiman  
Adam Stern  
Carl Kanaskie  
Stacy Richards  
Ben Fieselman

### **Meeting Called to Order**

Secretary McGinty called the meeting to order at 10:04 a.m. Mr. Diaz was connected by phone at approximately 10:15 a.m.

### **Consideration of Minutes of March 7, 2007 Board Meeting**

The Secretary called for a motion adopting the minutes of the board's March 7, 2007 meeting. Senator Erickson made the motion and Senator Wozniak seconded. The motion was unanimously approved.

### **Election of Treasurer**

Secretary McGinty noted that Ty Christy had resigned from the board as required by law after his recent appointment to the Pennsylvania Public Utility Commission (PUC). Mr. Christy had served as board Treasurer, a position which was now vacant. Secretary McGinty called for nominations or volunteers to fill the office of Treasurer for the remainder of Mr. Christy's term.

Tanya McCloskey nominated Steven Kaplan, Secretary of Banking, to serve as Treasurer and Ray Bologna seconded the motion. The motion was unanimously carried.

### **Consideration of Revisions to PEDA Bylaws**

PEDA Counsel Bill Shakely explained that proposed revisions to the PEDA bylaws will more closely track the language of the Pennsylvania Ethics Act. More specifically, the revised language will explicitly extend the conflict of interest provisions to the members of each standing and ad hoc committee of the board. In addition, the revisions would provide that board members who disclose a conflict of interest must file a written memorandum with the person responsible for the taking of the minutes. Finally, the revisions provide that if the board would be unable to take action on a matter because the number of members of the body required to abstain from voting were to make the required vote of approval unattainable, then those members would be permitted to vote if the conflict of interest disclosures were properly made.

Secretary McGinty read in its entirety the Motion to Amend Article 5, Section 1 (“Committee”).

#### **Motion to Amend Article V Section 1 of the Bylaws**

That Article V, Section 1, pertaining to Committees be amended by inserting the following passage between the first and final sentences of that section: “The provisions of Article VII of these Bylaws, pertaining to conflicts of interest of Board members, shall apply equally to the members of each standing and ad hoc committee with respect to actions of the committee.”

The Secretary moved the adoption of the revision to Article 5, Section 1. The motion was seconded by Virginia Brown, and unanimously approved by the board.

The Secretary read in its entirety the Motion to Amend Article 7 (“Conflicts of Interest”)

#### **Motion to Amend Article VII of the Bylaws**

That Article VII, pertaining to conflicts of interest of Board members, be amended by striking that portion providing “shall declare to the Chairperson and the Board the potential conflict of interest or adverse interest and shall abstain from deliberations and voting when that interest arises” and substituting the passage “shall declare to the Chairperson and the Board the potential conflict of interest or adverse interest; shall announce and disclose the nature of his interest as a public record in a written memorandum filed with the person responsible for recording the minutes of the meeting at which the vote is taken; shall recuse himself or herself; and shall abstain from discussions, deliberations and voting whenever that interest arises; provided that whenever the Board would be unable to take

action on a matter before it because the number of members of the body required to abstain from voting makes the required vote of approval unattainable, then such members shall be permitted to vote if disclosures are made as otherwise provided herein.”

Secretary McGinty moved the adoption of the revision. The motion was seconded by Senator Erickson and was carried unanimously.

### **Consideration of the 2006-2007 PEDA Annual Report**

The Executive Director, Jeanne Dworetzky, presented the PEDA Annual Report, explaining that it is due to the legislature no later than 120 days from the end of the fiscal year. Ms. Dworetzky noted that a list of current and past PEDA projects is attached as Appendix A, and the Change in Fund Balance and the Energy Development Fund Balance Sheets are attached at Appendix B and C, respectively. She explained that the balance includes interest earned on securities and repayments of principal and interest on PEDA loans, as well as funds carried over from the previous year's balance.

Ms. Dworetzky also explained that Appendix E, titled Growing Greener II Executive Authorization Statement, describes funds which are authorized for use by PEDA from the Growing Greener II bond initiative but which are not part of the Energy Development Fund itself. And finally, a list of outstanding bonds is set forth at Appendix F.

Secretary Kaplan made a motion to adopt the PEDA Annual Report and Tanya McCloskey seconded the motion. All were in favor and the Annual Report was adopted.

### **Consideration of Projects Recommended for Funding**

Secretary McGinty recused herself from the selection process for this round of funding and turned the recommended PEDA project presentations over to Secretary Yablonsky. Before doing so, she thanked the PEDA staff and others in the Department for a job well done.

As Secretary Yablonsky began the introduction of the recommended project presentations, Virginia Brown noted her recusal on project voting due to a conflict of interest. The Secretary asked if there were additional recusals that might be unknown to the Board and no additional responses were made.

Secretary Yablonsky introduced Karl Lasher and Libby Dodson and explained that they would be making a brief statement about each of the 24 recommended projects.

Mr. Lasher gave an overview of the application and recommendation process as follows and advised that a total of 121 applications (including two referrals from Energy Harvest) were reviewed. He noted that reviews of all PEDA applications were completed simultaneous to the reviews of both Energy Harvest and AFIG. Twenty-four projects are being recommended for PEDA funding.

Mr. Lasher explained that the review process included three staff persons for each project, and that the reviewers attempted to get a good number of projects for each technology category so that an equitable cross-section of technology could be supported.

Mr. Lasher acknowledged that there were a lot of good applications this round and explained that that made it more difficult to choose.

Mr. Lasher went on to explain that \$11.2 Million dollars in funding is being recommended, which is leveraged with over \$16 Million dollars in matching funds.<sup>1</sup> He added that \$1.2 Million dollars in funds are being used from the Duquesne Light settlement but that the balance of the Duquesne funds is being held for future use.

Mr. Lasher listed the benefits anticipated from the recommended projects as:

- Creation of 737 permanent jobs in addition to 1200 temporary construction jobs
- 3,206,163,713 kWh Electricity to be produced
- 312,014 Energy to be conserved
- 175 M Gallons Biofuel to be produced
- Emissions reductions:

SO<sub>2</sub> = 15,247 tons  
CO<sub>2</sub> = 2,623,596 tons  
NO<sub>x</sub> = 4,345 tons  
Hg: 164 lbs

Mr. Lasher and Ms. Dodson described each project. The following projects were recommended:

Boyd Station. LLC	\$750,000
Expansion of soybean processing facility in Northumberland County.	
NRG Energy Center Paxton LLC	\$112,000
Cogeneration Biodiesel Energy Program	
Applied Reclamation Techniques, LLC	\$400,000
Construction and operation of a biodiesel soy oil degumming system.	

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<sup>1</sup> The \$16,000,000 estimate was an error; the actual total in matching funds is \$121,851,409.

Stonegate Renewable Energy, L.P. Construction of a landfill gas-to-electricity facility in Hegins, PA.	\$500,000
Phipps Conservatory and Botanical Gardens, Inc. Construction of Center for Sustainable Landscapes, a zero net energy education and research center.	\$250,000
Southeastern Chester County Refuse Authority Purchase of a second landfill gas-to-electricity generator.	\$250,000
The Rodale Institute Development of a mobile Near IR Spectroscopy Lab for processing soil organic and carbon samples.	\$208,374
Energy Works North America, LLC Construction of Biomass-to-Energy and Nutrient Recovery facility in Adams County.	\$410,250
Carnegie Mellon University Funding a hybrid ventilation system for enhanced building operating energy efficiency at CMU's Intelligent Workplace.	\$ 80,000
Pennsylvania State University Development of hybrid renewable energy systems lab at PSU's Net-Zero Energy MorningStar Home.	\$560,000
SEDA – Council of Governments Funding toward SEDA-COG's proposed LEED Gold green building.	\$442,234
Ellwood City Borough Replace portion of street lamps with LED lighting.	\$168,750
HydroGen, LLC Design, manufacture and install six commercial scale gas clean-up modules for fuel cell facility.	\$500,000
Kuchera Defense Systems, Inc. Phase 2 of plan to establish "Center for Excellence" for Advanced Energy Systems Manufacturing at Windber, PA.	\$600,000
Borough of Lehighton Hydroelectric project at Beltzville Dam.	\$750,000
Walnut Capital Acquisitions, Inc. Installation of solar system at Bakery Square commercial property in Pittsburgh.	\$400,000

Aurora Photovoltaics Manufacturing, LLC  
(An EPV, Inc. Subsidiary) \$1,000,000  
Locate an amorphous silicon thin-film PV module manufacturing facility in Schuylkill County.

Separation Design Group, LLC \$112,852  
Year-round solar thermal utilization project as part of “recycling” of former Greene County Nursing Home.

SunTechnics Energy Systems, LL \$300,000  
3 MW utility scale solar PV project.

AE Polysilicon Corporation \$1,000,000  
Procurement of initial equipment to bring production technology to commercial operation.

Stable Flats, LLC \$700,000  
Installation of a 235.4 kW PV system at multi-family LEED Gold certified structure in Philadelphia.

Wind Tower Systems, LLC \$600,000  
Wind Turbine Towers & Lifting System Commercial Demonstration Project.

PFBC Environmental Energy Technology, Inc. \$600,000  
Demonstrating Carbon Dioxide Capture for PFBC Wet Waste Coal Technology

Friends Center Corporation \$505,540  
Deep Standing Column Geoexchange in an Urban Setting

Secretary Yablonsky called for motion to approve funding for the recommended projects. Romy Diaz moved that the projects be approved for funding and Ray Bologna seconded the motion. The motion was carried unanimously.

Mr. Frank Sparrow, designee for Chairman Wendell Holland of the Public Utility Commission, noted his recusal from voting on five projects (identifying them by their numbers) due to the PUC’s regulatory oversight of the applicants or project partners. Secretary Yablonsky noted Mr. Sparrow’s concern, advising that his vote would be reserved on those projects. Those projects are identified below and on attached e-mail from Mr. Sparrow:

PG070036, PPL Energy Services Holdings, LLC  
PG070038, West Penn Power Sustainable Energy Fund  
PG070042, PPL Energy Services Holdings, LLC  
PG070081, NRG Energy Center Paxton, LLC  
PG070097, PPL Energy Services Holdings, LLC

**Next PEDA Board Meeting**

Secretary McGinty announced that the next PEDA Board Meeting will be held in January, 2008, and that elections for new officers will be conducted at that meeting. The Secretary noted that the next PEDA board meeting will occur prior to the next solicitation and that the board will approve new guidelines then. Updates on existing PEDA projects will also be on the agenda. Finally, the Secretary stated her intention to ask project developers from some of the completed PEDA projects to present their results to the board.

Secretary McGinty reminded the board that the authority will be audited by the Auditor General's (AG) Office this fall or winter. She noted that she has recently signed the audit engagement letter and that the AG is in the early stages of that audit.

**No Additional Board Comment**

The Secretary asked for any additional questions or comments by the board and there were no responses.

**No Public Comment**

Secretary McGinty then opened the meeting to the public, inviting any comments or questions for the Board, and there were none.

**Meeting Adjourned**

Secretary McGinty called for a motion to adjourn the meeting. Senator Wozniak made the motion, Representative Creighton seconded that motion, and all were in favor. The meeting was adjourned at 11:25 a.m.

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Secretary

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Date