

MINUTES OF MEETING
BOARD OF DIRECTORS
PENNSYLVANIA ENERGY DEVELOPMENT AUTHORITY

August 27, 2010

Board Members Present:

Rob Miller
Tanya McCloskey
Sarah Hetznecker
Jared Grissinger (for Secretary Redding)
Representative Tom Creighton
Michael Welsh
Paul Wetzel (for Secretary Steven Kaplan)
Steve Drizos
Hon. Tyrone Christy
Virginia L. Brown

Romulo Diaz (via phone)
Robert Sanders (via phone)
Gibson Armstrong (via phone)
Bernie Lynch (via phone)
Senator John Wozniak (via phone)

DEP Staff:

Andrew Place, Acting Deputy Secretary
Tom Bell, Executive Director

Public Attendees:

No public Attendees present.

Meeting Called to Order

Acting Deputy Secretary Andrew Place called the meeting to order. Mr. Place noted the participants and project representative in attendance, and expressed his appreciation for their time and effort.

Approval of Minutes of March 19, 2010 Meeting

Acting Deputy Secretary Place called for a motion to approve the Minutes from the March 19, 2010 meeting. Ty Christy asked to comment on the Minutes from the March meeting by clarifying that he suggested that we consider expanding the language with the Energy

Development Authority to include the possibility of supporting Marcellus Shell related projects, specifically suggesting putting Marcellus Shell as an eligible characteristic of funding projects, as well as, other DEP projects.

Motion was made to approve and that motion was seconded. The Board voted unanimously to approve the Minutes.

PEDA Projects

Tom Bell gave a PowerPoint presentation on the recommended new PEDA projects from the six week solicitation period. Approximately \$20.5 Million total available. Growing Greener monies were \$13 Million, ARRA stimulus funds were \$5 Million, Duquesne Light funds were \$2.5 Million. There were approximately 213 applications, with over \$133 Million in funding requests. The total lifetime energy generation savings 10.9 Billion Kilowatt hours, approximately 1,400 jobs that were created, 8.9 Million tons of lifetime CO2 reduction, and then you have the reduction for the annual CO2 of 350,000 tons, total annual reduction of nitrogen oxide is 1.4 Million pounds, and the annual reduction for the sulfur oxide is 4.3 Million pounds.

The technology types under the Growing Greener we had six (6) solar, four (4) geothermal, four (4) recycled energy, four (4) manufacturing, three (3) solar energy efficiency, one (1) hydro, one (1) biogas, one (1) energy efficiency, and one (1) biomass. Under the ARRA program the stimulus monies, two (2) biomass, two (2) energy efficiency, one (1) solar, one (1) biogas, one (1) manufacturing, and one (1) CHP. With the Duquesne Light funds, which stay in Duquesne Light territories, we have five (5) energy efficiency projects, two (2) manufacturing, one (1) solar, and one (1) solar thermal. Our projects are really across the board as far as alternative energy. No one project was looked at as far as having more preference over the other and you would be happy to know that all these projects are pretty much evenly spaced across the entire state of Pennsylvania.

Again the total lifetime energy savings \$10.9 Billion Kilowatt hours and you will see the savings under the Growing Greener, ARRA and Duquesne Light. Combined total project costs for this program this year was \$231 Million, on the investment dollars, Growing Greener has \$159 Million, ARRA had \$65 Million, and Duquesne Light had \$15 Million.

General Discussion

Acting Deputy Secretary Place thanked the staff for their skill and hard work.

Romy Diaz also thanked the staff for their work and was pleased to see the diversity of the regional successful applicants, but asked for more information to be given about jobs created as a part of the Recovery Act funded applications. Mr. Bell stated that there were approximately a total of 1,400 jobs created and retained but that he would get that information for the Board.

Senator Wozniak pointed out his concern for the cost difference between what a project would pay for a regular gas unit opposed to a new geothermal unit and should the PEDA be paying

these projects the total for a geothermal system or just the difference it would cost between the two. Mr. Place stated that the incremental difference is looked at closely.

Gib Armstrong echoed Senator Wozniak's sentiments and commented appreciation to the staff and board on the hours and efforts spent looking at the projects at no cost to them. Adding that the jobs are really important and that is why it should be focused on pushing those projects involved with energy technologies and manufacturing of energy technologies to help create as many jobs as possible in Pennsylvania. Several Board members agreed that job creation is very important and asked if the application process includes asking for job creation estimates.

An unnamed Male speaker also stated his appreciation for all the work that went into evaluating these projects and that they looked like really excellent projects, and asked for a summary of the companies, who they are and time frame of the project in addition to the jobs created. Acting Deputy Secretary Place assured that this information would be given to the board. Mr. Bell assured that it is part of the evaluation process.

Bernie Lynch announced her recusal from voting on all project under consideration. Romy Diaz asked to be recused from the Kraft Foods project.

Mr. Place asked for any further discussions. No further discussions were made. A Motion to approve the projects as presented was made and seconded. The Board unanimously voted to approve the projects as they were presented. Motion was carried.

Ed Buell Presentation

Ed Buell, Vice President and Chief Technology Officer of Axion Battery gave a presentation on the success of their new technology for hybrid vehicle batteries, for the 2009 PEDDA round.

Administrative Matters

Acting Deputy Secretary Place announced that the next Board meeting would be discussed in early Spring when and if additional funds are available for awards.

Public Comment

There was no public comment.

Meeting Adjourned

Acting Deputy Secretary Andrew Place called for a motion to adjourn the meeting. Motion carried. Meeting was adjourned.

Secretary

Date