

MINUTES OF MEETING
BOARD OF DIRECTORS
PENNSYLVANIA ENERGY DEVELOPMENT AUTHORITY
April 7, 2014

Board Members Present

E. Christopher Abruzzo, Secretary of DEP
Hon. Glenn Moyer, Sec. Dept. of Banking & Securities
Ray Bologna
Rep. R. Lee James
Laureen Boles
Jared Grissinger (for Hon. George Greig)
Sarah Hetznecker
Rep. Peter J. Daley, II
Josh Myers (for Hon. John N. Wozniak)
Tanya McCloskey
Steve Drizos (for C. Alan Walker)

Board Members Present (via telephone)

Romulo Diaz
Bernie Lynch
Michael Welsh
Sen. Edwin Erickson
Gibson C. Armstrong
Virginia Brown

DEP Staff

David Althoff Jr., Acting Executive Director
Hayley Book, Director Policy Office
Kimberly Childe, DEP Regulatory Counsel
Sondra Keller, Clerk Typist III
Betty Hawkins, Clerk Typist III

Public Attendees

No members of the public present

Meeting Called to Order

Chairman, E. Christopher Abruzzo called the meeting to order at 1:13p.m. Chairman Abruzzo requested that the Board Member attendees announce themselves for an in person roll call followed by Dave Althoff conducting a via teleconference roll call for the purpose of determining a quorum.

The roll call was performed and Dave Althoff reported to Chairman Abruzzo that 16 board members were present and that a quorum had been reached.

Chairman Abruzzo informed the board that an election of officers was to be conducted for the first annual meeting of the year. Ray Bologna was the Treasurer for the board and Hon. Edwin B. Erickson was the Secretary of the board. Both terms for Secretary and Treasurer had expired.

Ray Bologna motioned to nominate Stephen Drizos (for Hon. C. Alan Walker) as the new Secretary for the board. The motion was seconded by Romulo L. Diaz, Jr. All attendees in favor with no member opposed; the vote carried unanimously. Mr. Drizos was announced as the new Secretary of the PEDAs Board.

Hon. R. Lee James motioned to nominate Hon. Peter J. Daley, II as the new Treasurer for the board. The motion was seconded by Hon. Glenn E. Moyer. All attendees in favor with no member opposed; the vote carried unanimously. Hon. Peter J. Daley, II was announced as the new Treasurer of the PEDAs Board.

Chairman Abruzzo made a motion to appoint Hayley Book as the new Executive Director for PEDAs. Motion was seconded by Laureen Boles. All attendees in favor with no member opposed; the vote carried unanimously. Hayley Book was announced as the newly appointed Executive Director for PEDAs.

Chairman Abruzzo called for a motion to approve the June 19, 2013 meeting minutes. A clarification was requested by Hon. Glenn E. Moyer regarding the June, 19th meeting date as the meeting agenda indicated June 16th 2013. It was confirmed that the previous meeting was held on June 19th as described in the meeting minutes. A motion was made to approve the June 19th, 2013 meeting minutes by Hon. Glenn E. Moyer, and seconded by Hon. R. Lee James. All attendees in favor with no member opposed. The vote carried unanimously.

Administrative Matters

Dave Althoff presented the Annual Report covering July 1, 2012 to June 30, 2013. Mr. Althoff reviewed the projects that were funded during that time period. No new projects were provided funded during the reporting timeframe other than the Northumberland County Project approved by the board on June 19th 2013. Dave Althoff opened the floor for questions. No questions regarding the Annual Report for July 1, 2012 to June 30, 2013 were presented. A motion was made to accept the Annual Report by Stephen Drizos (for Hon. C. Alan Walker) and seconded by Jared Gissinger (for Hon. George Greig). All attendees in favor with no member opposed; Annual Report was announced as accepted by Chairman Abruzzo.

Dave Althoff presented the Current Fiscal Status reports for Growing Greener, Duquesne Light Settlement, and PEDAs.

Growing Greener as of March 13, 2014 has a balance of \$8,299,318.93 Four open projects were described. Allentown Commercial Industrial Authority, American Refining & Biochemical Inc., Ultra-Poly Corporation, and Northumberland County Commissioners. American Refining & Biochemical Inc. and Ultra-Poly Corporation are completed. PEDAs is withholding the final ten

percent reimbursements to insure administrative close out. Northumberland County Commissioners are also finished but did not utilize all of their available funding. The remaining monies were liquidated but may not go back into the Growing Greener (PEDA) account as the funding was County Environmental Initiative funding. The Allentown Commercial & Industrial Development Authority (ACIDA) project is open until October. The ACIDA project is currently at a standstill pending permitting issues that are expected to be resolved with the next few weeks or so. Note: Growing Greener II funding must be expended by December 31, 2017.

Duquesne Light Settlement as of March 13, 2014 has a balance of \$259,694.91. One open commitment to Chatham University. The Chatham project is well underway. Chatham is expected to request reimbursement for the entire balance of \$259,694.91. **PEDA** as of February 28, 2014 the PEDA fund has a balance of \$4,017,580.48. This balance is supplemented by the repayment of the Community Energy Loan. The Bear Creek project was completed in the mid 2000's however the loan continues to be repaid. The expected payoff date is February 1, 2016. Community Energy has a current balance of \$209,422.73 and they are making payments with a 3.375 percent interest rate. Dave Althoff opened the floor for questions. No questions regarding the Current Fiscal Status Update were presented.

Presentation of State Energy Plan

Chairman Abruzzo announced that PEDA Executive Director Hayley Book would give the presentation of the State Energy Plan. Director Book opened the presentation by highlighting Governor Corbett's announcement of the first State Energy Plan for Pennsylvania in January of 2014 titled Energy = Jobs. Highlights of the plan are being referred to as All of the Above – and Below energy policies. The plan expects to harness all of the available resources in Pennsylvania: renewables, solar, wind, natural gas, coal, and nuclear power. Of significant note is that Pennsylvania is the second largest energy field in the world and is again on the verge of a new energy revolution with the advent of Marcellus Shale.

Mrs. Book presented a PowerPoint presentation on the State Energy Plan explaining the core principles, job creation, audience, plan contents, energy portfolio, reduced energy costs, Marcellus shale, wells drilled, gas production, coal fired power plants, consumer benefits, environmental benefits, portfolio standards (Tier 1 & Tier 2), Act 129, and competitive marketing for suppliers.

PEDA Energy Development Plan

Chairman Abruzzo announced the presentation of the PEDA Energy Development Plan. The Plan was presented by Dave Althoff. Mr. Althoff explained the necessity, importance, and goal of the Development Plan. The plan was reviewed on March 28, 2014 and changes to the plan were presented to the Board. Dave Althoff opened the floor for questions. No questions regarding the changes made to the PEDA Energy Development Plan were presented. Board Members engaged in a discussion regarding types of projects to be emphasized for support. Language changes were discussed and agreed to regarding agricultural business, the update of statistics on page 8 regarding indigenous resources as well as potential changes to be made under Criteria for Evaluating Proposed Projects on page 16. Changes and suggestions were noted. Chairman Abruzzo asked the Board to adopt a motion to accept the changes made to PEDA Energy Development Plan. A motion made by Bernie Lynch to accept changes made to the

PEDA Energy Development plan with the caveat a bullet or language is added to the 5th bullet on page 16. The motion was seconded by Hon. Glenn E. Moyer. All attendees in favor with no member opposed; Chairman Abruzzo announced the PEDA Energy Development plan as accepted with changes to be made as suggested.

Financial Assistance Offering

Chairman Abruzzo announced the presentation of the 2014 Financial Assistance Offering. Director Book walked through the PEDA guidelines. Presented in the presentation was the current status of loans and grants, the proposed financial assistance package, proposed project types, eligible applicants, eligible projects, ineligible projects, allowable expenses, project evaluation criteria, application submission information, and a proposed timeline. The board discussed ideas for the financial offering. It was suggested that the award cap amount for grants and loans change from one million per project to five hundred thousand; with exceptions for projects which receive special approval from the PEDA Board. Chairman Abruzzo made a motion that the 2014 Financial Assistance Offering makes \$12.5 million available, \$10 million to be used for the Advanced Energy Projects as described on page 7 of the Pennsylvania Energy Development Plan as advanced energy and \$2.5 million for projects that fall under the PEDA criteria that may not fall under the criteria of an advanced energy project. Funding is to be made available as grants and loans and be capped at five hundred thousand per project. Chairman Abruzzo opened the floor for questions. No questions regarding the suggestions offered to the 2014 Financial Assistance Offering. The motion was seconded by Hon. R. Lee James. All attendees in favor with no member opposed; motion announced as accepted by Chairman Abruzzo.

Subcommittee

Chairman Abruzzo opened the floor for suggestions on subcommittees. The board currently has a Technical Review Subcommittee consisting of board members Bernie Lynch, Gibson Armstrong, and Stephen Drizos (for Hon. C. Alan Walker). A motion was made by Bernie Lynch to continue the committee of Technical Review Committee and seconded by Stephen Drizos (for Hon. C. Alan Walker). All attendees in favor with no member opposed; motion to continue the Technical Review Committed announced as accepted by Chairman Abruzzo. Chairman Abruzzo nominated Tanya McCloskey to serve on the committee; nomination was seconded by Stephen Drizos (for Hon. C. Alan Walker). All attendees were favor of the nomination with no member opposed; Chairman Abruzzo announced Tanya McCloskey as a newly appointed member of the Technical Review Committee. Chairman Abruzzo also nominated Hon. R. Lee James to serve on the committee; the nomination was seconded by Tanya McCloskey. All attendees were in favor of the nomination with no member opposed; Chairman Abruzzo announced Hon. R. Lee James as a newly appointed member of the Technical Review Committee.

The creation of an Outreach committee was presented. There was no motion created to accept the creation of a subcommittee for Outreach.

Public Comment

Final

Chairman Abruzzo called for public comment. There was no public comment.

Meeting Adjourned

Chairman Abruzzo called for a motion to adjourn the meeting. The motion was made by Jared Grissinger (for Hon. George Greig) and seconded by Bernie Lynch. All attendees were in favor of the motion with no member opposed. Meeting was adjourned at 3:05p.m.

Secretary

Date