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|  | **PENNSYLVANIA****PUBLIC UTILITY COMMISSION****Harrisburg, PA 17105-3265** |  |

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|  | Public Meeting held May 19, 2016 |
| Commissioners Present: |  |

|  |  |
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| Gladys M. Brown, Chairman |  |
| Andrew G. Place, Vice Chairman |  |
| John F. Coleman, Jr. |  |
| Robert F. Powelson |  |
|  |  |
| Pennsylvania Sustainable Energy Board  | Docket No. M-00031715 |

**ORDER**

**BY THE COMMISSION:**

 The Commission established the Pennsylvania Sustainable Energy Board (PASEB) to provide “oversight, guidance and technical assistance” to the regional sustainable energy funds in 1999. *Electric Distribution Companies’ Sustainable Energy Funds*, Docket Nos. R-00973953, R-00973953, R-00973981, R-00974008, R-0094009 (Order entered July 1, 1999). The Commission determined that a statewide board could assist the regional funds in coordinating their activities in furtherance of the public interest. The Commission defined the role and obligations of the PASEB in more detail in 2003. *Statewide Sustainable Energy Board*, Docket No. M-00031715 (Order entered August 12, 2003) (Statewide Order).

 The PASEB approved initial bylaws on December 7, 2010. The Commission approved these PASEB initial bylaws on January 28, 2011. On February 11, 2016, the PASEB amended and approved changes to its bylaws by a unanimous vote. Pursuant to the bylaws of the PASEB, all amendments will not be approved unless also approved by the Commission. (Bylaws of the PASEB, Part XI Adoption and Amendments to Bylaws, Part D. Amendment).

**BACKGROUND**

 Section 2806(d) of the Electricity Generation Customer Choice and Competition Act, 66 Pa. C.S. § 2806(d), required that all electric distribution companies submit a restructuring plan to the Commission to implement direct access to competitive markets. Each of these plans was the subject of litigation before the Commission. The Commission approved settlement agreements for five electric distribution companies that included provisions establishing four regional sustainable energy funds (SEFs).[[1]](#footnote-1) These funds were the Sustainable Development Fund, the Sustainable Energy Fund of Central Eastern Pennsylvania, Inc., the West Penn Power Sustainable Energy Fund, and the Metropolitan Edison Company and Pennsylvania Electric Company Sustainable Energy Fund. The Commission later approved bylaws governing the operations of each fund.

 In the Statewide Order, the Commission directed that the PASEB undertake certain specific actions as part of its mission. This included holding an annual meeting, submitting an annual report to the Commission, establishing bylaws for the PASEB, and developing “best practices” to guide the operations of the “SEFs.” The PASEB issued its first annual report on May 7, 2004 and held its first annual meeting on June 29, 2004. The PASEB also met periodically throughout 2004 to develop best practices. Best practice documents were developed by the PASEB and Commission staff by October 2004.

 The PASEB voted at its annual meeting on December 11, 2006 to submit best practices to the Commission for approval. In March of 2007, the best practices were approved by the Commission.

 The PASEB approved draft bylaws on April 15, 2004. The guidelines on the allocation and use of alternative compliance payments under the Alternative Energy Portfolio Standard Act of 2004 was incorporated into the April 15, 2004 draft bylaws at Section XI. Thereafter, the Bylaws were approved by the PASEB at its annual meeting on December 7, 2010. The Commission then approved these PASEB Bylaws on January 28, 2011.

 During the PASEB Annual Meeting of January 15, 2015, the PASEB voted to amend its bylaws to address some housekeeping details involving, deleting the Project Matrix requirement, removing the Joint Petitioner notice, and revising the process for amendments. These changes were precipitated by a desire to update the bylaws to conform to the current practice of the PASEB.

**DISCUSSION**

 Through the Statewide Order, the PASEB was directed to establish bylaws. The Statewide Order further directed that the bylaws articulate the internal rules of governance under which the PASEB operates. At the February 11, 2016 PASEB Annual Meeting, pursuant to Article XI Adoption and of Amendments to Bylaws, the PASEB revisited the issues involved and again voted to amend its bylaws.

 A redline copy of all proposed bylaw changes is attached at Appendix A.

A copy of the bylaws with all of the proposed bylaws incorporated is included at Appendix B.

 The first proposed revision to the bylaws was discussed at section I, (relating to definitions) involving updating and changing the regional SEF’s websites as listed in the bylaws. Roger Clark from the Sustainable Development Fund reported that its fund manager The Reinvestment Fund changed its name to “Reinvestment Fund,” removing the article “the” from the name. As a result of this name change the Sustainable Development Fund’s website as listed in the bylaws needs to be updated. Two other regional SEF website addresses also needed to be updated. The corrected websites are as follows: The Sustainable Development Fund’s website is <http://www.reinvestment.com>, The Metropolitan Edison/Penelec Sustainable Energy Fund’s website is <http://www.metedpenelecsef.org>, and the Sustainable Energy Fund of Central Eastern Pennsylvania’s website is <http://www.thesef.org>.

 The second proposed revision to the bylaws involves section VI (A) (relating to Board Staff Support), regarding amending language describing the designee from “his” to “her/his” designee, relating to the Commission’s Executive Director or her/his designee assigning Commission staff to assist the PASEB.

 The third proposed revision to the bylaws involves section VII (C)(3) (relating to Meeting requirements, Voting) and suggests adding language to the provisions relating to voting requirements to reference an exception from another section of the bylaws at the current section XII (relating to Adoption and amendments to bylaws, part B). This language is as follows, “except as noted in these bylaws at section XI Adoption and Amendments to Bylaws, Part B.” See Appendix A, page 6.

 The fourth proposed revision to the bylaws involves the removal of the requirements at section VII (A) (relating to Annual Board meetings) regarding the annual meeting being held in May and relating to the Annual Board Meetings notice, requiring that notice will be sent to the Joint Petitioners in the four restructuring proceedings. PASEB members discussed that due to the press of SEF business cycles, the meeting has not been held in May for some time and that notice has also not been sent to the Joint Petitioners. Notice to the multitude of Joint Petitioners is no longer necessary because they are not still engaged with the SEFs. The PASEB agreed that the two sentences in the bylaws involving these requirements is no longer relevant and should be amended.

 A fifth proposed revision to the bylaws suggests removal of section VIII (A),(B), and (C) (relating to the Project matrix). This Section required the SEFs to report to the PASEB and the Commission on all of the SEFs completed written applications for financial assistance. The members discussed that the regional SEFs have not submitted a Project Matrix to the PASEB or to the Commission since 2011. This bylaw provision was not a requirement under the original settlement agreement, and the matrix is unnecessary in view of other reporting requirements and Commission staff’s attendance at SEF meetings. Annual reports of the SEFs are submitted to the Commission and a summary of the annual reports is posted on the Commission website.

 Finally, a sixth proposed revision to the bylaws discussed was the request to change the requirement at XII (B)(2)(relating to Adoption and Amendments to Bylaws) to allow for the subsequent Board meeting for voting to be accomplished by notational voting which may be by telephone conference call or by electronic mail.

 A motion was made by Roger Clark to approve the bylaws as discussed with inclusion of the corrected website addresses. Michael Kane seconded this motion. The members of the PASEB agreed to this motion by a unanimous vote.

 Additionally, during a discussion of new business of the PASEB, a member noted that the bylaws currently require that the annual reports be filed with the Commission by February 15, or as otherwise directed. To eliminate future delays, all PASEB members agreed that the submission due date should be moved from February 15th to April 1st. Mary Beth Osborne suggested that we incorporate this revision into the bylaws. Heidi Williamson made a motion to accept this bylaw change. Roger Clark seconded this motion. The members of the PASEB agreed to this motion by unanimous vote. On February 11, 2016, the PASEB approved amended bylaws, which are attached as Appendix A.

 We have reviewed the attached bylaws and find that the PASEB has appropriately amended its bylaws. These amended bylaws provide for the structure of the PASEB and will serve the public interest by further providing the PASEB with a forum where the public and the PASEB can educate each other and learn about sustainable energy technologies, markets and opportunities; **THEREFORE:**

**IT IS ORDERED:**

1. That the Bylaws submitted by the Pennsylvania Sustainable Energy Board are approved.
2. That a copy of this Order is served on each member of the Pennsylvania Sustainable Energy Board.
3. That the regional sustainable energy funds review their existing bylaws for their consistency with the Bylaws of the Pennsylvania Sustainable Energy Board attached at Appendix B.

**BY THE COMMISSION**



Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: May 19, 2016

ORDER ENTERED: May 19, 2016

APPENDIX A

**Bylaws of the**

**Pennsylvania Sustainable Energy Board**

1. **DEFINITIONS**

*Board.* The Pennsylvania Sustainable Energy Board (“PASEB”) created and described in Orders of the Pennsylvania Public Utility Commission entered on July 1, 1999 and August 12, 2003.

*Commission.* The Pennsylvania Public Utility Commission.

*Regional Sustainable Energy Funds (“RSEF”)*: the following funds created pursuant to the Orders of the Public Utility Commission in the electric utility restructuring decisions:

* 1. Metropolitan Edison/Penelec Sustainable Energy Fund (consisting of the Metropolitan Edison Fund of Berks County Community Foundation and the Penelec Sustainable Energy Fund of the Community Foundation for the Alleghenies (http://www.metedpenelecsef.org), authorized in the settlement agreement and order in the GPU restructuring proceeding (PUC Docket No. R-00974008, Order of October 20, 1998);
	2. Sustainable Development Fund (http://www.reinvestment.com), authorized in the settlement agreement and order in the PECO Energy restructuring proceeding (PUC Docket No. R-00973953, Order of May 14, 1998);
	3. Sustainable Energy Fund of Central Eastern Pennsylvania (http://www.thesef.org), authorized in the settlement agreement and order in the PP&L restructuring proceeding (PUC Docket No. R-00973954, Order of August 27, 1998);
	4. West Penn Power Sustainable Energy Fund (http://www.wppsef.org), authorized in the settlement agreement and order in the West Penn restructuring proceeding (PUC Docket No. R-00973981 (Order of November 19, 1998).
1. **NAME**

The name of the organization is the Pennsylvania Sustainable Energy Board (“PASEB”).

1. **PURPOSE**

The purpose of the Board is:

* 1. To provide guidance and technical assistance to the Regional Sustainable Energy Funds in order to maximize their impact and effectiveness in their work to:
		1. support the start-up, attraction, expansion and retention of sustainable energy businesses in Pennsylvania;
		2. promote the use and development of renewable energy and clean energy technologies; and,
		3. encourage energy conservation and energy efficiency throughout Pennsylvania.
	2. To provide oversight to the Regional Sustainable Energy Funds in the development of a best practices business model.
	3. To be a forum where the Board, the RSEF staffs, Commonwealth agencies, public officials and the public can educate each other and learn about sustainable energy technologies, markets and opportunities and where together they can discuss and fashion effective market actions and public policies that better promote a sustainable energy future for Pennsylvania.

1. **BOARD OF DIRECTORS**
	1. **Board Members**. There will be nine members of the Board and they will be:
		1. A member of the Board of Directors of the Metropolitan Edison / Penelec Sustainable Energy Fund.
		2. A member of the Board of Directors of the Sustainable Development Fund.
		3. A member of the Board of Directors of the Sustainable Energy Fund of Central Eastern Pennsylvania.
		4. A member of the Board of Directors of the West Penn Power Sustainable Energy Fund.
		5. The Executive Director of the Pennsylvania Public Utility Commission or her/his designee.
		6. The Secretary of the Pennsylvania Department of Environmental Protection or her/his designee.
		7. The Secretary of the Pennsylvania Department of Community and Economic Development or her/his designee.
		8. The Pennsylvania Consumer Advocate or her/his designee.
		9. The President of the Pennsylvania Environmental Council or her/his designee.
	2. **Term for Members.** All Board members will serve at the pleasure of their appointing body for whatever term the appointing body selects.
2. **BOARD COMMITTEES**
	1. **Committees.**
		1. The Board may create such standing or special committees as it believes reasonable or necessary. The Board will set the duties, responsibilities, deliverables and work deadlines for each committee.
		2. Board members and their designees, as well as staff of the Board members, may serve on any committee.
		3. All committees will provide all Board members with regular written reports of all committee activities.
	2. **Task Forces.**
		1. The Board may create and appoint Board members and non-Board members to task forces for the purpose of securing advice and recommendations to the Board. The Board will determine the duties, responsibilities, deliverables and work deadlines of each task force.
		2. Board members and their designees, as well as staff of the Board members, may serve on any task force.
		3. All task forces will provide all Board members with regular written reports of all task force activities.
3. **BOARD STAFF SUPPORT**
	1. **Commission** **Staff Support.** The Commission’s Executive Director or her/his designee will designate Commission staff to assist the Board in its operations, meetings and activities, including:
		1. issuing notices of Board meetings;
		2. arranging the location of Board meetings;
		3. with input from all Board members, preparing the agenda for Board meetings;
		4. preparing the minutes of Board meetings;
		5. posting reports and other information on the web; and,
		6. performing other administrative duties for the Board.
	2. **Regional Sustainable Energy Fund Staff Participation.** The board of each Regional Sustainable Energy Fund may establish rules for participation of their individual RSEF staff in the meetings, committees, tasks forces, operations and activities of the PASEB.
4. **BOARD MEETINGS**
	1. **Annual Meeting**. The Board will conduct an annual meeting to update the relevant Commonwealth agencies and other interested groups on the status of the four Regional Sustainable Energy Funds and to discuss and learn about sustainable energy technologies, policies and issues. The annual meeting will be held in the Harrisburg area, unless changed by the Board. The place, date and time of the annual meeting will be advertised through an annual meeting notice on the Commission website and the websites of the Regional Sustainable Energy Funds.
	2. **Other Board Meetings.** The Board may hold other meetings from time to time when requested in writing by three (3) Board members. The meeting notice will be in writing to all Board members, will state the intended purpose of the meeting and will be issued not less than fourteen (14) calendar days before the scheduled meeting. The meeting notice will state the place, date and time for the meeting. The meeting notice will be sent to all Board members and RSEF staff and will be posted on the Commission website.
	3. **Meeting Requirements.**
		1. **Participation**. Board members will participate in the annual meeting in person. Board members may participate in other board meetings in person or by conference call or internet conferencing. A designated representative of a Board member may attend on behalf of a Board member and will be recognized for the purpose of a quorum and for voting. No proxies will be recognized either for purpose of a quorum or for voting.
		2. **Quorum.** The Board may only transact official business at a meeting where a quorum is present. A quorum for a meeting of the Board will be at least five (5) members, of which at least three (3) must be representatives from the Regional Sustainable Energy Funds.
		3. **Voting.** The business of the Board will be approved by a majority of the members present at a meeting which enjoyed a quorum. The Commission’s representative will be a non-voting member, except to the extent its vote is necessary to break a tie except as noted in these bylaws at Section XI. Adoption and Amendments to Bylaws, Part B.
		4. **Open Meetings**. All Board meetings are open to the public, except for Executive Session, which may be called by the Board to address:
			1. pending or potential litigation or investigations;
			2. discussion about RSEF financial business that must include information that is confidential and/or proprietary; and,
			3. other matters permitted by law.
		5. **Staff Participation**. Staff of the Board members will be entitled to be present for and to participate in all Board meetings, including Executive Sessions of the Board.
5. **REPORTING**

**A. Regional Sustainable Energy Fund Annual Reports.**

**Design.** The Board will prepare a standard format and required content for an annual report that will be used by each Regional Sustainable Energy Fund in making an annual report to the Board. The standard format will include the information to be presented in the narrative portion of the reports (including performance benchmarks) and the format for reporting the relevant financial information. The financial information in the RSEF annual reports can be a combination of audited and unaudited information and the RSEFs may continue to use a different fiscal year for purposes of financial auditing. The annual reports will be filed with the Commission on February 15th or as otherwise directed by Order of the Commission.

* + 1. **Submission of Annual Reports.** Each Regional Sustainable Energy Fund will prepare and submit an annual report summarizing their activities and their financial transactions during the period January 1st to December 31st.
		2. **Publication.** The Regional Sustainable Energy Funds will distribute written copies of their annual reports to all Board members and to the other Regional Sustainable Energy Funds and will post their annual reports on their websites. In addition, the Commission will post all Regional Sustainable Energy Fund annual reports on the Commission website. The other Board members are encouraged to post the annual reports on their web sites as well.
	1. **Board Annual Report.** The annual reports of the Regional Sustainable Energy Funds will be consolidated and summarized in a Board annual report that will be assembled by Commission staff, with input from the Board members. This annual report will be posted on the Commission website and the websites of the other PASEB agencies.
1. **BEST PRACTICES**
	1. **Purpose.** Consistent with the Commission’s Orders, the Board will develop, document and maintain best practices for various activities of the Regional Sustainable Energy Funds.

 **B. Topics.** The Board will determine the topics to be addressed and the order in which the topics are to be developed. The first draft of each topic will be prepared by the staff of the Regional Sustainable Energy Funds and then reviewed and approved by the Board.

**X. GUIDELINES ON THE ALLOCATION AND USE OF ALTERNATIVE COMPLIANCE PAYMENTS UNDER THE ALTERNATIVE ENERGY PORTFOLIO STANDARDS ACT OF 2004.**

**A.** As required by §3(g)(1) of the Alternative Energy Portfolio Standards Act of 2004 (“AEPS Act”) (73 P.S. § 1648.3(g)(1)), all Alternative Compliance Payments (“ACPs”) paid by electric distribution companies and by electricity generation suppliers for failure to meet the requirements of the AEPS Act are to be paid to the Pennsylvania Sustainable Energy Board (“PASEB”). These guidelines will control how PASEB will distribute those ACPs to the regional Pennsylvania sustainable energy funds (“PA SEFs”).

**B.** All funds received by PASEB shall be kept in a separate account maintained by the West Penn Power Sustainable Energy Fund (WPPSEF). WPPSEF shall manage the account and report all receipts and disbursements of ACP funds to the PASEB. WPPSEF has agreed to do this without cost to PASEB.

**C.** As required by §3(g)(2) of the AEPS Act (73 P.S. § 1648.3(g)(2)), ACPs shall be utilized solely for projects that will increase the amount of electric energy generated from alternative energy resources. ACPs paid because of the failure to satisfy the solar share requirements shall be used only for solar projects. ACPs paid because of failure to satisfy the Tier 1 requirements shall be used only for Tier 1 eligible projects. ACPs paid because of failure to satisfy the Tier 2 requirements may be used either for Tier 2 or Tier 1 eligible projects.

**D.** On an annual basis, following the receipt of the ACPs, PASEB shall allocate the ACPs received as follows:

1) If the ACPs arose from the service territory of Metropolitan Edison and Penelec, PECO, PPL or West Penn Power, then 50% of the ACP shall go to the regional sustainable energy fund for that service territory and 50% of the ACP shall be divided equally between the four regional sustainable energy funds. For purposes of these Guidelines, the First Energy funds (Metropolitan Edison and Penelec) are considered a single SEF.

2) If the ACPs arose from a service territory other than those listed in (a), then 100% of the ACP shall be divided equally between the four regional sustainable energy funds.

3) The PA SEFs are free to pool some or all of their ACPs and support a common eligible project.

**E.** All SEFs will have two years to commit and spend their ACPs. The PASEB may approve a one year extension for good cause.

**F.** All SEFs shall report how they used their share of the ACPs in a separate section of their annual reports to the Pennsylvania Public Utility Commission.

**XI. ADOPTION AND AMENDMENTS TO BYLAWS**

**A. Effective Date**. These Bylaws will be in full force and effect immediately upon adoption by the Commission.

* 1. **Amendment.** These Bylaws may be changed by amendment or repeal through the following steps:
		1. A written copy of the proposed amendment will be given to the Board members and discussed at a meeting of the Board.
		2. A Board vote on the proposed amendment will not take place at the initial Board meeting at which the proposed amendment was first presented and discussed, but at the subsequent Board meeting. The subsequent Board meeting may be accomplished by notational voting which may be by telephone conference call or by electronic mail.
		3. A proposed amendment will not be approved unless it receives the vote of at least six (6) Board members.
		4. A proposed amendment will not be approved unless it is also approved by the Commission.

NOTE: *These Bylaws were approved by the Pennsylvania Sustainable Energy Board on February 11, 2016.*

APPENDIX B

**Bylaws of the**

**Pennsylvania Sustainable Energy Board**

1. **DEFINITIONS**

*Board.* The Pennsylvania Sustainable Energy Board (“PASEB”) created and described in Orders of the Pennsylvania Public Utility Commission entered on July 1, 1999 and August 12, 2003.

*Commission.* The Pennsylvania Public Utility Commission.

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R-00974008, Order of October 20, 1998);

**B.** Sustainable Development Fund (<http://www.>reinvestment.com), authorized in the settlement agreement and order in the PECO Energy restructuring proceeding (PUC Docket No. R-00973953, Order of May 14, 1998);

**C.** Sustainable Energy Fund of Central Eastern Pennsylvania

(http://www. thesef.org), authorized in the settlement agreement and order in the PP&L restructuring proceeding (PUC Docket No. R-00973954, Order of August 27, 1998);

**D.** West Penn Power Sustainable Energy Fund ([http://www.wppsef.org](http://www.wppsef.org/)), authorized in the settlement agreement and order in the West Penn restructuring proceeding (PUC Docket No. R-00973981 (Order of November 19, 1998).

1. **NAME**

The name of the organization is the Pennsylvania Sustainable Energy Board (“PASEB”).

1. **PURPOSE**

The purpose of the Board is:

**A.** To provide guidance and technical assistance to the Regional Sustainable Energy Funds in order to maximize their impact and effectiveness in their work to:

* + 1. support the start-up, attraction, expansion and retention of sustainable energy businesses in Pennsylvania;
		2. promote the use and development of renewable energy and clean energy technologies; and,
		3. encourage energy conservation and energy efficiency throughout Pennsylvania.
	1. To provide oversight to the Regional Sustainable Energy Funds in the development of a best practices business model.
	2. To be a forum where the Board, the RSEF staffs, Commonwealth agencies, public officials and the public can educate each other and learn about sustainable energy technologies, markets and opportunities and where together they can discuss and fashion effective market actions and public policies that better promote a sustainable energy future for Pennsylvania.
1. **BOARD OF DIRECTORS**
	1. **Board Members**. There will be nine members of the Board and they will be:
		1. A member of the Board of Directors of the Metropolitan Edison / Penelec Sustainable Energy Fund.
		2. A member of the Board of Directors of the Sustainable Development Fund.
		3. A member of the Board of Directors of the Sustainable Energy Fund of Central Eastern Pennsylvania.
		4. A member of the Board of Directors of the West Penn Power Sustainable Energy Fund.
		5. The Executive Director of the Pennsylvania Public Utility Commission or her/his designee.
		6. The Secretary of the Pennsylvania Department of Environmental Protection or her/his designee.
		7. The Secretary of the Pennsylvania Department of Community and Economic Development or her/his designee.
		8. The Pennsylvania Consumer Advocate or her/his designee.
		9. The President of the Pennsylvania Environmental Council or her/his designee.
	2. **Term for Members.** All Board members will serve at the pleasure of their appointing body for whatever term the appointing body selects.
2. **BOARD COMMITTEES**
	1. **Committees.**
		1. The Board may create such standing or special committees as it believes reasonable or necessary. The Board will set the duties, responsibilities, deliverables and work deadlines for each committee.
		2. Board members and their designees, as well as staff of the Board members, may serve on any committee.
		3. All committees will provide all Board members with regular written reports of all committee activities.
	2. **Task Forces.**
		1. The Board may create and appoint Board members and non-Board members to task forces for the purpose of securing advice and recommendations to the Board. The Board will determine the duties, responsibilities, deliverables and work deadlines of each task force.
		2. Board members and their designees, as well as staff of the Board members, may serve on any task force.
		3. All task forces will provide all Board members with regular written reports of all task force activities.
3. **BOARD STAFF SUPPORT**
	1. **Commission** **Staff Support.** The Commission’s Executive Director or her/his designee will designate Commission staff to assist the Board in its operations, meetings and activities, including:
		1. issuing notices of Board meetings;
		2. arranging the location of Board meetings;
		3. with input from all Board members, preparing the agenda for Board meetings;
		4. preparing the minutes of Board meetings;
		5. posting reports and other information on the web; and,
		6. performing other administrative duties for the Board.
	2. **Regional Sustainable Energy Fund Staff Participation.** The board of each Regional Sustainable Energy Fund may establish rules for participation of their individual RSEF staff in the meetings, committees, tasks forces, operations and activities of the PASEB.
4. **BOARD MEETINGS**
	1. **Annual Meeting**. The Board will conduct an annual meeting to update the relevant Commonwealth agencies and other interested groups on the status of the four Regional Sustainable Energy Funds and to discuss and learn about sustainable energy technologies, policies and issues. The annual meeting will be held in the Harrisburg area, unless changed by the Board. The place, date and time of the annual meeting will be advertised through an annual meeting notice on the Commission website and the websites of the Regional Sustainable Energy Funds.
	2. **Other Board Meetings.** The Board may hold other meetings from time to time when requested in writing by three (3) Board members. The meeting notice will be in writing to all Board members, will state the intended purpose of the meeting and will be issued not less than fourteen (14) calendar days before the scheduled meeting. The meeting notice will state the place, date and time for the meeting. The meeting notice will be sent to all Board members and RSEF staff and will be posted on the Commission website.
	3. **Meeting Requirements.**
		1. **Participation**. Board members will participate in the annual meeting in person. Board members may participate in other board meetings in person or by conference call or internet conferencing. A designated representative of a Board member may attend on behalf of a Board member and will be recognized for the purpose of a quorum and for voting. No proxies will be recognized either for purpose of a quorum or for voting.
		2. **Quorum.** The Board may only transact official business at a meeting where a quorum is present. A quorum for a meeting of the Board will be at least five (5) members, of which at least three (3) must be representatives from the Regional Sustainable Energy Funds.
		3. **Voting.** The business of the Board will be approved by a majority of the members present at a meeting which enjoyed a quorum. The Commission’s representative will be a non-voting member, except to the extent its vote is necessary to break a tie, except as noted in these bylaws at section XI. Adoption and Amendments to Bylaws, Part B.
		4. **Open Meetings**. All Board meetings are open to the public, except for Executive Session, which may be called by the Board to address:

(a) pending or potential litigation or investigations;

(b) discussion about RSEF financial business that must include information that is confidential and/or proprietary; and,

(c) other matters permitted by law.

* + 1. **Staff Participation**. Staff of the Board members will be entitled to be present for and to participate in all Board meetings, including Executive Sessions of the Board.
1. **REPORTING**

**A. Regional Sustainable Energy Fund Annual Reports.**

**Design.** The Board will prepare a standard format and required content for an annual report that will be used by each Regional Sustainable Energy Fund in making an annual report to the Board. The standard format will include the information to be presented in the narrative portion of the reports (including performance benchmarks) and the format for reporting the relevant financial information. The financial information in the RSEF annual reports can be a combination of audited and unaudited information and the RSEFs may continue to use a different fiscal year for purposes of financial auditing. The annual reports will be filed with the Commission on February 15th or as otherwise directed by Order of the Commission.

* + 1. **Submission of Annual Reports.** Each Regional Sustainable Energy Fund will prepare and submit an annual report summarizing their activities and their financial transactions during the period January 1st to December 31st.
		2. **Publication.** The Regional Sustainable Energy Funds will distribute written copies of their annual reports to all Board members and to the other Regional Sustainable Energy Funds and will post their annual reports on their websites. In addition, the Commission will post all Regional Sustainable Energy Fund annual reports on the Commission website. The other Board members are encouraged to post the annual reports on their web sites as well.
	1. **Board Annual Report.** The annual reports of the Regional Sustainable Energy Funds will be consolidated and summarized in a Board annual report that will be assembled by Commission staff, with input from the Board members. This annual report will be posted on the Commission website and the websites of the other PASEB agencies.
1. **BEST PRACTICES**
	1. **Purpose.** Consistent with the Commission’s Orders, the Board will develop, document and maintain best practices for various activities of the Regional Sustainable Energy Funds.
	2. **Topics.** The Board will determine the topics to be addressed and the order in which the topics are to be developed. The first draft of each topic will be prepared by the staff of the Regional Sustainable Energy Funds and then reviewed and approved by the Board.

**X. GUIDELINES ON THE ALLOCATION AND USE OF ALTERNATIVE COMPLIANCE PAYMENTS UNDER THE ALTERNATIVE ENERGY PORTFOLIO STANDARDS ACT OF 2004.**

**A.** As required by §3(g)(1) of the Alternative Energy Portfolio Standards Act of 2004 (“AEPS Act”) (73 P.S. § 1648.3(g)(1)), all Alternative Compliance Payments (“ACPs”) paid by electric distribution companies and by electricity generation suppliers for failure to meet the requirements of the AEPS Act are to be paid to the Pennsylvania Sustainable Energy Board (“PASEB”). These guidelines will control how PASEB will distribute those ACPs to the regional Pennsylvania sustainable energy funds (“PA SEFs”).

**B.** All funds received by PASEB shall be kept in a separate account maintained by the West Penn Power Sustainable Energy Fund (WPPSEF). WPPSEF shall manage the account and report all receipts and disbursements of ACP funds to the PASEB. WPPSEF has agreed to do this without cost to PASEB.

* 1. As required by §3(g)(2) of the AEPS Act (73 P.S. § 1648.3(g)(2)), ACPs shall be utilized solely for projects that will increase the amount of electric energy generated from alternative energy resources. ACPs paid because of the failure to satisfy the solar share requirements shall be used only for solar projects. ACPs paid because of failure to satisfy the Tier 1 requirements shall be used only for Tier 1 eligible projects. ACPs paid because of failure to satisfy the Tier 2 requirements may be used either for Tier 2 or Tier 1 eligible projects.

**D.** On an annual basis, following the receipt of the ACPs, PASEB shall allocate the ACPs received as follows:

1) If the ACPs arose from the service territory of Metropolitan Edison and Penelec, PECO, PPL or West Penn Power, then 50% of the ACP shall go to the regional sustainable energy fund for that service territory and 50% of the ACP shall be divided equally between the four regional sustainable energy funds. For purposes of these Guidelines, the First Energy funds (Metropolitan Edison and Penelec) are considered a single SEF.

2) If the ACPs arose from a service territory other than those listed in (a), then 100% of the ACP shall be divided equally between the four regional sustainable energy funds.

3) The PA SEFs are free to pool some or all of their ACPs and support a common eligible project.

**E.** All SEFs will have two years to commit and spend their ACPs. The PASEB may approve a one year extension for good cause.

**F.** All SEFs shall report how they used their share of the ACPs in a separate section of their annual reports to the Pennsylvania Public Utility Commission.

**XI. ADOPTION AND AMENDMENTS TO BYLAWS**

**A. Effective Date**. These Bylaws will be in full force and effect immediately upon adoption by the Commission.

**B. Amendment.** These Bylaws may be changed by amendment or repeal through the following steps:

* + 1. A written copy of the proposed amendment will be given to the Board members and discussed at a meeting of the Board.
		2. A Board vote on the proposed amendment will not take place at the initial Board meeting at which the proposed amendment was first presented and discussed, but at the subsequent Board meeting. The subsequent Board meeting may be accomplished by notational voting which may be by telephone conference call or by electronic mail.
		3. A proposed amendment will not be approved unless it receives the vote of at least six (6) Board members.
		4. A proposed amendment will not be approved unless it is also approved by the Commission.

**NOTE:** *These Bylaws were approved by the Pennsylvania Sustainable Energy Board on February 11, 2016.*

1. *Application of PECO Energy Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, et al.*, Docket No. R-000973953 and P-00971265 (Order entered May 14, 1998); *Application of Pennsylvania Power & Light Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, et al.*, Docket No. R-000973954 (Order entered August 27, 1998); *Application of West Penn Power Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, et al.*, Docket No. R-000973981 (Order entered November 19, 1998); *Application of Metropolitan Edison Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, et al.*, Docket No. R-000974008 (Order entered October 20, 1998); *Application of Pennsylvania Electric Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, et al.*, Docket No. R-000974009 (Order entered October 20, 1998). [↑](#footnote-ref-1)