**PENNSYLVANIA**

**PUBLIC UTILITY COMMISSION**

**Harrisburg, PA. 17105-3265**

 Public Meeting held June 9, 2011

Commissioners Present:

Robert F. Powelson, Chairman

John F. Coleman, Jr., Vice Chairman

Tyrone J. Christy

Wayne E. Gardner

James H. Cawley

Request for Approval of Revisions to the By-laws M-00031715F0004

Of the Metropolitan Edison Company/Pennsylvania

Electric Company Sustainable Energy Fund

**ORDER**

**BY THE COMMISSION:**

 Before the Commission is a letter petition of the Metropolitan Edison Company/Pennsylvania Electric Company Sustainable Energy Fund (Met Ed/Penelec SEF), filed on December 6, 2010, for approval of revisions to the by-laws that govern its operations. On September 23, 1998, at Docket Nos. R-00974008 and R-00974009, the Commission approved the Joint Petitions for Full Settlement of the restructuring proceedings filed by Metropolitan Edison Company and the Pennsylvania Electric Company so as to comply with the requirements of the Electricity Generation Customer Choice and Competition Act, 66 Pa. C.S. §§2801-2812. Among the provisions of the approved settlement was the establishment of a Sustainable Energy Fund to promote (1) the development and use of renewable energy and clean energy technologies, (2) energy conservation and efficiency, and (3) renewable business initiatives and projects that improve the environment in the companies’ service territories.

 On June 4, 1999, the Commission approved the Met Ed/Penelec SEF Advisory Board. On January 27, 2000, the Commission approved the by-laws for the Met Ed/Penelec SEF. The approval of the by-laws allowed the fund to begin operations to promote the development of and use of renewable and clean energy technologies in Pennsylvania. Included within the by-laws is the requirement of Commission approval for amendments to the by-laws as approved by a majority vote of the members of the Advisory Board. The proposed amendments are submitted to all board members two weeks prior to the meeting when consideration of the amendments will occur.

 At the Board meeting of the Met Ed/Penelec Sustainable Energy Fund on November 19, 2010, the Board approved amendments to the by-laws. By letter/petition dated December 2, 2010, the Met Ed/Penelec Sustainable Energy Fund requested that the Commission approve the amended By-laws.

 The Met Ed/Penelec SEF board recommended eleven changes to its by-laws. First, language was added to the by-laws noting that filings related to the fund will be filled under a single docket number. Second, language describing the Powers and Duties of the Advisory Board has been modified to provide clarity to the activities performed by Advisory Board in executing its powers and duties. Third, language has been added that would permit the maximum size of the Advisory Board to increase from seven to nine members. Fourth, language was added creating a limit of six for the number of terms an Advisory Board member may serve. Fifth, the by-laws have been modified to indicate that actions which cause or fill vacancies on the Advisory Board will be governed by the Pennsylvania Sustainable Energy Board Best Practices for Regional Sustainable Energy Funds: Guidelines for the Nomination Election and Approval of Directors. Sixth, the by-laws have been modified regarding Quorum and Vote to more broadly define meeting attendance and participation. Seventh, the by-laws have been modified regarding Quorum and Vote to expressly provide for and prescribe the procedure for written votes which may include voting by email. Eighth, the language of the by-laws has been modified to clarify the agenda of the annual meeting. Ninth, the by-laws have been modified to increase from one to three for the number of meetings that the fund shall have per year in addition to the annual meeting. Tenth, the by-laws have been modified to incorporate the Pennsylvania Sustainable Energy Board Best Practices for Regional Sustainable Energy Funds: Guidelines for the Code of Conduct, Conflict of Interest and Confidentiality Policy. Eleventh, the by-laws have been modified regarding the Powers and Duties of the Fund Administrator(s) to incorporate the criteria set forth in the Pennsylvania Sustainable Energy Board Best Practices for Regional Sustainable Energy Funds: Guidelines for Inquiries and Applications for Grants, Loans and Equity Investments and, if necessary, Pennsylvania Sustainable Energy Board Best Practices for Regional Sustainable Energy Funds: Guidelines for Reconsideration and Appeal.

Based on review of all relevant information, the Commission finds the modifications to the Met Ed/Penelec SEF’s by-laws to be reasonable and appropriate. The by-laws, as amended are thereby approved.

**THEREFORE**,

**IT IS ORDERED:**

1. That the proposed changes of the Metropolitan Edison Company/Pennsylvania Electric Company Sustainable Energy Fund are hereby approved.

2. That a copy of this Order be served on the Metropolitan Edison Company/Pennsylvania Electric Company Sustainable Energy Fund, the Office of Consumer Advocate and the Office of Small Business Advocate.

BY THE COMMISSION,

 Rosemary Chiavetta,

 Secretary

(SEAL)

ORDER ADOPTED: June 9, 2011

ORDER ENTERED: June 13, 2011